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TODAY: **STYLE**
Updating a Tradition, Page 8

MONDAY, FEBRUARY 8, 1999

f Perugia -Point Serie A Lead

dremadura gave Barcelona a jolt in the minute when it took the lead on a goal by Argentine forward Carlos Dute. But Luis Suarez equalized for Barcelona in the 29th minute and Patrick Kluyver of the Netherlands clinched the victory in the 82d minute by scoring the winning goal in a 3-1 victory over Real Madrid. Celta and Espanol each trail by three points.

Madrid, meanwhile, was forced off the pitch by a home crowd of 75,000 who pressed by the city over lowly Valladolid. Real scored on penalties in the 18th and 81st minutes. Valladolid refused to give up. Juan Viquez scored in 65th minute, and then three minutes later, the Argentine striker Diego Mowicz tied the score. But seconds before final whistle, Raul saved Madrid, getting the hat-trick of the season.

Moises Garcia put visiting Villarreal ahead in the 27th minute, but Juan Sanchez revived the hopes with an equalizer two minutes before the break. Michel Salgado pushed Celta with a goal in the 81st minute. Bulgaria's Bo Penov scored a third from the penalty spot in the 87th and the Israeli Haim Revivo made it two minutes into injury time.

On Saturday, Valencia missed a chance to gain first place when it drew, 0-0, with Girona de La Coruna.

FRANCE Playing at home, Auxerre fell to a 2-1 defeat on Sunday.

Olympique Marseille, beaten and overruled by Girondins Bordeaux last weekend, bounced back to the top of the French first division with a 3-1 home victory over Bastia on Sunday.

Valencia conceded a late goal and drew 1-1 at Rennes.

Fabrizio Ravanelli, Marseille's Italian striker, scored twice and also took the free kick that opened the opening goal for the team in the 33d minute.

AT&T

downhill victory on Sunday in Colorado

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Schroeder Faces Risk Of Policy Paralysis

Hesse Setback Gives Opposition a Chance To Produce Gridlock

By William Drozdiak
Washington Post Service

BERLIN — With his government suddenly stripped of its majority in the upper house of Parliament, Chancellor Gerhard Schröder on Monday faced the dismal prospect that his legislative program may be paralyzed by the same kind of political gridlock that undermined his predecessor, Helmut Kohl.

Less than four months after taking office, Mr. Schröder's ruling Social Democrats and their partners, the Greens, were shocked Sunday when the opposition Christian Democrats scored an upset victory in the state of Hesse. The outcome tilts the balance of power in the upper house, the Bundesrat, in the opposition's favor and gives them a blocking majority.

"They will have to talk to us now when they want to pass a law," said Angela Merkel, general secretary of the Christian Democrats. "That applies both for tax reforms and citizenship reform."

During his successful campaign to oust Mr. Kohl from power after 16 years in office, Mr. Schröder accused his rival of allowing Europe's most pivotal nation to stagnate by failing to enact legislation that would address the country's most pressing problems. In his defense, Mr. Kohl claimed he was stymied by the Social Democrats, who held majority veto power in the Bundesrat.

In the wake of the surprising results in Hesse, Mr. Schröder now must cope with an agonizing dilemma. If he chooses to compromise with his opponents in the interest of pushing through some diluted reforms, he risks alienating his core constituencies. But if he sticks to the ambitious platform approved by his ruling coalition, he could fall victim to Mr. Kohl's plight and see his opponents freeze his legislative program in its tracks.

The first challenge seems likely to occur over Mr. Schröder's controversial plan to offer the possibility of dual citizenship to the seven million foreigners living in Germany. The Christian Democrats displaced the Social Democrats as Hesse's largest party largely on the strength of a petition campaign, signed by more than one million people, that objected to the dual citizenship plan.

The Social Democrats angrily accused their opponents of exploiting xenophobic sentiments to secure their winning margin because they were bereft of vote-winning arguments on the economic front. The Social Democrats and Greens achieved a relatively successful record in ruling Hesse over the past eight years — it now enjoys the highest incomes and highest level.

GERMANY, Page 5

The Dollar			
	Monday 4 PM	previous close	
Germany	1.1322	1.1283	
France	1.6599	1.6533	
Japan	114.545	113.22	
UK	1.7273	1.737	
Italy	5.7932	5.8256	
Dollars against the euro			
	Monday close	percent change	
Germany	9.2911	-0.14%	
S&P 500			
	1,248.77	+0.35%	
Nasdaq			
	2,404.92	+1.32%	

Newsstand Prices	
Bahrain	1,000 BD Mails
Cyprus	C 1.00 Nigeria
Denmark	17 DKr Oman
Finland	12.00 FM Qatar
Gibraltar	2.00 Rep. Ireland
Great Britain	UK £1.00 Saudi Arabia
Japan	¥1,250 J.D. U.A.E.
Korea	₩1,100 U.S. Mails
Kuwait	700 Fils Zimbabwe

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Even Bitter Enemies Come Together in Tribute King Hussein Is Buried as Jordanians Grieve

Clinton Loses An Intimate Mideast Friend

By Barton Gellman
Washington Post Service

AMMAN, Jordan — Only twice in this fractious part of the world has President Bill Clinton formed a truly personal bond, the kind that crossed from statecraft to something like love.

Three years ago he wept with one of those friends as they helped bury the other, the slain prime minister of Israel, Yitzhak Rabin. On Monday, he bowed his head before the flag-draped coffin of the second.

The loss of Jordan's King Hussein deprives Mr. Clinton of an ally and mentor whose influence far surpassed his modest kingdom. In two central foreign policy projects of his presidency, confronting Iraq and righting Arab-Israeli peace talks as they stumbled, Mr. Clinton leaned heavily on King Hussein for practical and moral support.

The intimacy of these two friendships, with Mr. Rabin and King Hussein, came out in small stories told of their time alone.

Mr. Clinton once recalled knotting Mr. Rabin's necktie for a White House ceremony because the old general had never learned to do it properly himself. On Monday, the national security adviser Samuel (Sandy) Berger described how the president, before embracing King Hussein during the Wye River summit talks in October, had to wash his hands with special soap because of the king's susceptibility to infection during chemotherapy.

Mr. Clinton delivered no eulogy for King Hussein, as he had done for Mr. Rabin. The Islamic funeral provided no occasion for that. Nor could Mr. Clinton and other non-Muslims accompany the funeral bier to the white-washed Royal Jordanian Mosque.

Mr. Clinton spoke instead Monday evening before U.S. Embassy personnel, recounting how King Hussein saved Israeli-Palestinian talks at Wye.

"This whole thing is about to come apart," Mr. Clinton said he had told King Hussein. "I said, 'If you come down, they won't have the courage to walk away here without an agreement.'"

"Hillary and I have had many unbelievable experiences as a result of the great honor of serving in the White House," Mr. Clinton said. "But among those I will treasure most, every day of my life, are the times we had with the king of Jordan."

Much of the president's short day in Amman passed in the diplomatic round robin that clings to the fringes of every state funeral. Mr. Clinton held conversations of a few minutes each, enough for signal-sending and temperature-taking, with a long list of foreign leaders — Hafez Assad of Syria, Benjamin Netanyahu of Israel, Jacques Chirac of France, Tony Blair of Britain, Suleyman Demirel of Turkey, Hosni Mubarak of Egypt and Crown Prince Abdullah bin Abdulaziz of Saudi Arabia, among others.

He also met briefly with Boris Yeltsin of Russia, who required medical treatment soon after and left Jordan before the funeral began.

"I'm glad you're here," Mr. Clinton told Mr. Assad, according to Mr. Berger. "I hope you'll help Jordan." The response? "He sort of said yes." Mr. Berger allowed, "but I couldn't see in his heart."

Just as carefully, Mr. Clinton steered clear of others among the "motley crew," as one U.S. official called it, that mingled among America's friends at graveside. "He doesn't want to bump

See JORDAN, Page 4



Queen Noor, fourth from right, surrounded by weeping women as King Hussein's coffin left the palace Monday.



President Hafez Assad of Syria, center, praying at the coffin of King Hussein in Amman on Monday.



President Boris Yeltsin in Amman on Monday for the king's funeral. He quickly returned to Russia. Page 4.



President Bill Clinton, center, flanked on his left by President Hosni Mubarak of Egypt and on his right by the sultan of Brunei, at the funeral. Among others behind them are President Jacques Chirac of France, left, and former President Jimmy Carter. Leading the procession is the royal family, including Prince Faisal at right.

World Leaders Converge for The Funeral

By Howard Schneider
Washington Post Service

AMMAN — King Hussein of Jordan was buried on Monday in a simple white shroud as international leaders, enemies and allies alike, gathered to honor one of the world's longest serving heads of state and a forceful advocate for peace in the Middle East.

The four-hour motorcade and burial service commemorating the king's 46-year reign first jammed the streets of Amman with hundreds of thousands of mournful Jordanians, then journeyed the grounds of the Raghadan Palace with a remarkable assemblage of presidents, prime ministers, and princes, sheikhs, emirs, and tribal chiefs.

It was a rite that bridged the world's cultures and, for a short time at least, muted long-standing enmities between rivals like Syria and Israel.

As they filed past Hussein's coffin, which was attended at each corner by Circassian guards in lamb's-wool hats and black coats, the military men in the procession saluted, Roman Catholics made the sign of the cross, Japanese leaders bowed deeply, and Muslims raised their palms in prayer for one of their own.

President Bill Clinton and three former U.S. presidents — George Bush, Gerald Ford and Jimmy Carter — lowered their heads in unison for a man they all respected through periods of intense disagreement and equally intense alliance.

Boris Yeltsin, Russia's ailing president, defied medical advice and summoned the strength to travel here to pay his respects, though he stumbled on his way into the palace and had to cut his visit short.

The Palestinian leader, Yasser Arafat, whose Palestine Liberation Organization guerrillas once battled Hussein's army, saluted the departed monarch twice.

Most notably, President Hafez Assad of Syria attended despite the presence of his bitter foes from Israel, including Prime Minister Benjamin Netanyahu. After a lifetime of disputes with the Jordanian king, the Syrian leader lifted his hands in supplication, and later embraced and kissed Jordan's new monarch, Abdullah, Hussein's 37-year-old eldest son.

The line took an hour to pass through the modestly decorated throne room where only three weeks ago Hussein greeted family and friends on his return from what was described then as successful treatment in the United States for lymphatic cancer. The disease recurred, however, and Hussein died Sunday in a local hospital at age 63.

After walking solemnly to a palace mosque for prayers, it was left to the male members of the king's Hashemite family to lay their leader to rest. With the women restricted under Islamic custom to a separate mourning area, the men gathered under a green tent, accompanied in their march by a military band, plaintive bagpipers, and the king's favorite stallion, symbolically carrying a saddle with empty black boots.

There, the king's body, wrapped in the traditional Islamic burial shroud, was taken from the coffin and placed into the ground near his father Talal, whose removal from the throne in the 1950s because of mental illness made Hussein monarch at age 19.

Passages from the Koran were repeated in a lyrical chant. A military bugler sounded the last call. Attending

See HUSSEIN, Page 4

Virtual Stores, Real Clout Cyberspace Sales Pressure Traditional Retailers

By Stephanie Stoughton
and Leslie Walker
Washington Post Service

WASHINGTON — Sporting goods retailers were hardly pleased the day Nike Inc. opened its own factory outlets, offering the swoosh-branded athletic shoes at discount prices. And their frustration grew when the manufacturer introduced its full-price NikeTown stores.

Today they are grappling with the company's latest plans: opening a Nike store in cyberspace where it will sell its hottest styles.

"It's all about control," said Kevin Kim, Internet manager for Wings Foot and Sports Corp., which also owns two stores in New York. "They're trying to get people to buy from Nike first."

Nike's bid to bypass retailers on-line underscores how the Internet is complicating long-standing business relationships. In the United States, the world's most developed on-line marketplace, it is already sending tremors

See RETAIL, Page 3

AGENDA Prosecutors Make Final Arguments

The 100 U.S. senators sitting at a jury heard a final, impassioned appeal Monday from all 13 of the House prosecutors to make Bill Clinton the first American president to be removed from office. Page 3.

Iris Murdoch Dies; Novelist Was 79

LONDON (Reuters) — The novelist Iris Murdoch, 79, died Monday, her family said. Miss Murdoch had been suffering from Alzheimer's disease. A full obituary will appear in Wednesday's editions.

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Anwar, Taking the Stand, Calls Trial a Political Plot

By Mark Landler
New York Times Service

KUALA LUMPUR — Five months after he was ousted and jailed on corruption and sex-related charges, Malaysia's former deputy prime minister, Anwar Ibrahim, finally took the stand Monday in his defense.

Under questioning by his lead attorney, Mr. Anwar laid the groundwork for his contention that he is the victim of a political conspiracy sanctioned by his former mentor, Prime Minister Mahathir bin Mohamad.

The government accused Mr. Anwar of quashing a police investigation of charges that he had illicit sexual relations with women and men.

But Mr. Anwar testified that he encouraged the police to look into the allegations, even though they were made in letters that he said were written by his enemies.

"I wouldn't have done that if I had

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THE AMERICAS

House Prosecutors Make Final Appeal for Clinton's Removal From Office

By Brian Knowlton
International Herald Tribune

WASHINGTON — The Senate heard familiar arguments but rare passion on Monday as House prosecutors spoke for the last time in the impeachment trial of President Bill Clinton, asserting that the president was "still in denial" about "gross misconduct and criminal actions" and should become the first president removed from office.

The White House legal team, making its own closing arguments, again denied the charges of perjury and obstruction of justice built around Mr. Clinton's attempts to hide his affair with Monica Lewinsky.

All 13 House managers spoke, many

of them in anger, frustration or resignation. It has become increasingly clear that Mr. Clinton, with the help of perhaps all 45 Democrats, will prevail when final votes on the articles of impeachment against him are taken Thursday or Friday.

The prosecutors, all Republicans, tried to draw on their frustration, however, in their final appeal to the 100 senators sitting as a jury.

One of the prosecutors, James Sensenbrenner of Wisconsin, noted that the House team had been described as "13 angry men," animated by political hatred for Mr. Clinton. "We are angry," he said, but "they are dead wrong about what we are angry about."

"We have not spent long hours poring

through the evidence, sacrificed time with our families and subjected ourselves to intense political criticism to further a political vendetta," Mr. Sensenbrenner said. "We have done so because of our love for this country and respect for the office of the presidency, regardless of who may hold it."

Mr. Clinton's lawyers, Mr. Sensenbrenner said, had offered "a litany of excuses."

"He and his defenders are still in denial," he said. "They will not accept the consequences of their repeated and criminal attempts to defeat the judicial process. To keep a president in office whose gross misconduct and criminal actions are well-established fact will weaken the presidency, undermine the

authority of law."

Charles Ruff, the White House counsel, criticized the managers, saying that theirs was "a vision more focused on retribution, more designed to achieve partisan ends, more uncaring about the future we face together."

As Mr. Clinton's team has done since the House Judiciary Committee first opened hearings on impeachment, Mr. Ruff insisted that the allegations against the president did not meet the high constitutional bar for removal from office.

"When all is said and done," he said, "the framers chose stability — they made impeachment and removal, constitutional recourses of last resort."

"You must decide," Mr. Ruff told the senators, "whether on these facts arising

out of these circumstances, this president has so endangered the state that we can no longer countenance his remaining in office."

The House managers face the virtual certainty that they cannot obtain the 67 votes needed to remove Mr. Clinton from office. Never has a president been so removed.

The challenge now, some Republicans conceded, was to secure at least a majority — 51 votes if all 100 senators are present — on at least one of the articles, and save the face of the managers and the party leadership. That appeared more likely on the obstruction-of-justice charge than on the perjury charge.

With the legal teams' work done, senators are in begin deliberating Tuesday

on what many have called the most important votes of their careers. It appeared likely that those debates would take place behind closed doors. A rule change to open the debate would require 67 votes. After the deliberations, the Senate will vote on each article.

Senator Tom Daschle of South Dakota, the minority leader, called for a vote on censuring Mr. Clinton to take place this week, immediately after votes on the articles. "We're trying to make a historic statement of record," he said Monday.

The failure of either article to secure a simple majority would represent a stinging loss of face to the House Republicans, who have been immersed in the case since the independent counsel, Kenneth Starr, delivered 36 cartons of transcripts and evidence to Congress in September.

All but two of the 45 Democrats ap-

Drop Term-Limit Pledges, Republicans Are Urged

By Katharine Q. Seelye
New York Times Service

WASHINGTON — The Republicans, desperate to save their slim congressional majority in the elections next year, are urging House Republicans who have promised to limit their terms to go back on their pledges and seek re-election in 2000.

There are nine House Republicans who pledged that the 1998 election would be their last. Six of those are expected to retire. Republican leaders, who never supported term limits, want the other three to run, on the well-founded theory that incumbents tend to win — though that theory could be sorely tested in the case of a candidate who has broken such a high-profile promise.

The three are Representatives Tillie Fowler of Florida, Scott McInnis of Colorado and George Nethercutt Jr. of Washington.

"We're going to encourage them to back out of their pledge," said a top Republican aide who spoke on the condition of anonymity.

The Republicans also will continue trying to persuade some Democrats to switch parties. An initial sweep of a handful of potential defectors failed to win any over.

Republicans also are trying to line up Democratic support for their showcase

bills so that they will be able to impress voters next year with a list of legislative accomplishments. The lack of an agenda, as well as their preoccupation with impeaching President Bill Clinton, cost Republicans dearly at the polls last November.

All of these measures demonstrate how fierce the fight for control of the House is going to be. Republicans won control of the House in 1994 but have lost seats in both of the elections since then. They now hold one of the slimmest majorities in modern times, 222 seats to 211 for the Democrats, with one independent and one vacant seat.

Adding to the Republicans' woes is the prospect that they may suffer a heavy round of retirements before the next election. When they took power in 1994, Republicans limited their committee chairmen to three terms. When these members lose their chairmanships, many may decide to retire from Congress.

Some, such as Representative Bill Archer of Texas, chairman of the Ways and Means Committee, already have announced their retirements. Others, including Representatives Benjamin Gilman of New York, chairman of the International Relations Committee, and Jim Leach of Iowa, chairman of the Banking Committee, could follow suit.

"If they decide to go, that's where we start to get in trouble," a Republican House strategist said. "We will need a few of their guys in the South to retire," he said, referring to Democrats who represent conservative Southern districts.

Only one Democrat, Representative Martin Meehan of Massachusetts, pledged not to run again in 2000, and he is considering changing his mind about that pledge, too.

Mr. Meehan recently said that "arbitrarily" limiting his terms had been a mistake. Democratic aides said there had been no effort by party leaders to persuade Mr. Meehan to break his pledge, and he said that he had not made a final decision.

Of the three Republicans, Mr. McInnis most clearly has indicated that he will run again. He has said that he did not realize that members of Congress gained power through seniority.

Mr. Nethercutt deplored Tom Foley, the former speaker of the House, largely on the strength of his advocacy of term limits. He says he now understands that the issues Congress handles are so complex that six years "is probably not enough."

Mr. Nethercutt has not made a final decision, nor has Mr. Fowler. She glided to re-election last year with no Democratic challenger and recently was elected to a leadership post within the Republican conference.

Although Congress has resisted term limits and courts have ruled that states cannot impose limits on federal lawmakers, many candidates are limiting themselves. Five Republicans have pledged not to seek re-election in 2002, and 32 members — 24 Republicans and eight Democrats — have pledged not to run in 2004.

Some candidates who have broken such pledges in the past, such as Alfonse D'Amato, the former Republican senator from New York, have lost their re-election bids. But others have won, such as Representative Bill Goodling, Republican of Pennsylvania.

As long as one party controls the House by just a handful of votes, members who have promised to limit their terms probably will become the target of nervous leaders who want them to stay.

"People think term limits are a good idea," said Mark Mellman, a Democratic pollster. "But as an issue, it doesn't have the juice. It's not as compelling as it was."

POLITICAL VOICES

Media Ponder Life In Post-Lewinsky Era

WASHINGTON — The Monica-mad media are ready to move on. First, of course, there are closing arguments, an impeachment verdict, the Barbara Walters interview, the Monica book and lots of chatter about What It All Means.

But after a year of Lewinsky mania that seemed to reduce everything else to a blur, journalists are reluctantly recognizing that the gravy train is running out of steam.

"Now that we have finally seen her videotaped visage, what will the post-Lewinsky media world look like? The parade of cable shows, from 'Hardball' to 'Hockenberry,' will need a new topic. MSNBC will need a new identity. Jay Leno will need a new target."

But what about the traditional media, the "respectable" newspapers who never descended to talk of things and figures until a constitutional crisis forced them, surely holding their noses, to enlighten the masses? Will they be content to return to the debate over Social Security reform and patients' rights?

Kate Auletta, media critic for the New Yorker, puts it this way: "The people who sign our checks will want to have more juicy stuff because it's good for circulation." He added, "The press feels vindicated, that what we reported was accurate; Clinton lied. The press is emboldened to continue to be character cops, to assume that 'they all do it,' that politicians are goniffs, liars. I don't think that's a healthy attitude."

The first sign of this no-holds-barred mentality surfaced last week, when potential presidential candidates were interviewed by New Hampshire's WMUR-TV and CNN. Governor George Bush of Texas was asked by WMUR: "Have you ever used drugs? Marijuana? Cocaine?" Mr. Bush replied: "I'm not going to talk about what I did as a child," calling it "irrelevant."

Senator John McCain, Republican of Arizona, who has acknowledged an extramarital affair, was asked about that period. Mr. McCain said: "I am responsible for the breakup of my first marriage. I will not discuss or talk about that any more than that."

And it's a year before the New Hampshire primary. (WPT)

Welfare Funds Pile Up

WASHINGTON — Billions of dollars in federal welfare money is piling up in the Treasury, unused by state officials, who won control of the money in 1996 by arguing that they knew best how to spend it for the benefit of poor people.

More than half the states failed to use the full amounts of their federal welfare grants last year, officials say. Government data show states had not used \$3 billion out of \$12 billion made available in the first nine months of last year.

State officials said the number of people on welfare had dropped much faster than they expected, making it difficult for them to use all the funds they were entitled to.

In addition, some states are saving money for use in a recession. States can allow money to accumulate, and draw it when their needs increase. (NYT)



IN A SPOT — Surveyors using a global-positioning satellite system to pinpoint the location of the New Carissa and help refloating efforts. The freighter ran aground near Coos Bay, Oregon, on Thursday.

Away From Politics

• High blood pressure can be lowered significantly by a healthy diet, without hypertension medication, particularly among black people, according to a study published in the Archives of Internal Medicine. Researchers studied the effects of three diets on 459 adults with normal-but-high to high blood pressure. (AP)

• A spacecraft named Stardust rocketed away from Cape Canaveral, Florida, on a 3 billion-mile quest to bring back comet dust. A last-minute radar problem had delayed by one day NASA's launch of Stardust on its seven-year comet-chasing journey. (AP)

• The father of the seven surviving Texas octuplets received two years probation after pleading no contest to charges he struck his mother-in-law in a domestic dispute. Iyke Louis Udobi, 41, told the judge he had apologized to Janet Chukwu, whom he hit over the head with a chair in their Houston home. (Reuters)

• A glutted gasoline market has driven prices down nearly a penny per gallon as retailers scramble for customers, an industry analyst said. The average price, including all grades and taxes, was \$1.0141 per gallon last week, down .94 cents from two weeks earlier. (AP)

Outfoxing Pursuers, Bin Laden Gains Hero Status

By Tim Weiner
New York Times Service

Six months after the deadly bombings of two American embassies in Africa, the counterattack against the man suspected of being the mastermind, Osama bin Laden, has failed to weaken his ability to strike again but succeeded in making him a hero in the Islamic world, senior U.S. and foreign officials say.

Mr. bin Laden's most potent political weapon, his violent oratory condemning the American presence in the Gulf, is winning sympathy and support from North Africa to South Asia, U.S. officials say. That poses a growing threat to American personnel and policies abroad.

"This is a political movement," said a top American counterterrorism official. "We have to have a political and diplomatic strategy to attack him without antagonizing him." But Washington lacks one, the official said.

The United States has aimed cruise missiles, covert operations and criminal investigations against Mr. bin Laden. It has arrested men believed to be his political associates. It has thwarted two of his plans to attack more American embassies, U.S. officials say.

But U.S. strategists to block his access to bank accounts, cut his connections to terrorist cells and sever his links

to political supporters have not succeeded. Secure in his redoubts in Afghanistan, Mr. bin Laden could strike "at any time" against symbols of American power, George Tenet, the CIA director, recently told Congress.

The sense that Mr. bin Laden has strong political support even among American allies abroad is shared within

continuing to press foreign governments to arrest suspected supporters and associates of his. Secret arrests and unpublicized detentions of several suspects took place three weeks ago, officials said. But the arrests do not always stick. Seven people detained in England and Albania at the behest of the United States have been quietly released for lack of evidence.

A poster of Osama bin Laden hanging in Pakistan's oldest and largest religious school calls him a holy warrior.

in recent weeks, officials said.

Senior American officials have argued fiercely about strategies against Mr. bin Laden. "Wanted" posters went out last month, with blood-red type reading: "This is not politics. This is MURDER."

But now a different picture is gaining force in the Islamic world.

A poster of Mr. bin Laden hangs in Pakistan's oldest and largest religious school, on the old silk route to Afghanistan. He is smiling, holding an automatic rifle. The poster calls him a holy warrior.

"Osama is a hero," said Sami ul Haq, a leading Islamic politician who runs the religious school. "Every young man here wants to be like him." He said he was sending hundreds of his graduates to support Mr. bin Laden's allies in Afghanistan.

U.S. counterterrorism officials ruefully agree that Mr. bin Laden's oratory also rings true in Saudi Arabia. His attacks on the royal family's repression and corruption are factually similar to State Department human rights reports and CIA economic analyses. But they differ sharply in blaming the United States for shoring up the House of Saud by stationing troops in the Arabian Peninsula.

Some officials say the United States does not yet know its enemy well enough to defeat him. The picture of Mr. bin Laden presented by the United States has been blurred by conflicting statements at the highest levels of the government.

On Aug. 20, when the United States destroyed a pharmaceutical plant in Sudan with cruise missiles, President Bill Clinton's most senior national security aides said it was a secret chemical weapons factory financed by Mr. bin Laden. Those same officials later conceded that they had no definitive evidence of that.

The same day, Mr. Clinton gave a speech tying Mr. bin Laden to plots to kill the Pope and President Hosni Mubarak of Egypt. But those plots were carried out by people to whom Mr. bin Laden may have peripheral connections, if any, according to available evidence.

"He has been blown beyond all proportion," said Ghazi Salah al Din, the information minister of Sudan, where Mr. bin Laden lived from 1992 to 1996. "I know the guy, having met him. And he's not that mighty. He's being pumped up. I can understand that in the context of trying to personify terrorism. But the United States has created a hero out of him."

American law enforcement, intelligence and national security officials are divided on some fundamental issues. For example, they disagree whether, as a federal indictment charges, Mr. bin Laden and his adherents helped train and arm the men who killed 18 American soldiers in Somalia in 1993.

Mary Jo White, the U.S. attorney in Manhattan, said, "We are confident in the allegation." But senior officials, including some who served in Somalia, say they doubt the charge, which Mr. Clinton made hours after the cruise missile attacks.

RETAIL: Spread of Cyberspace Stores Is Putting Big Pressure on Traditional Sellers

Continued from Page 1

retailers from selling its Dockers and Levi's brands on the Internet, then began selling at its own cyberstore a much wider selection of Levi's than are available at department stores. Even J.C. Penney Co., the No. 1 seller of Levi's jeans, was forced to pull the manufacturer's goods off its Web site.

"When we were looking to expand our Web site, that's when the communication came down," said Stephanie Brown, a spokeswoman for J.C. Penney. "It was like, 'Hold up, wait a minute, Levi's doesn't want us to sell it on-line.'"

Levi Strauss and other manufacturers said it was crucial for them to control the images of their brands on-line. Off-line, manufacturers have discovered that they can better control their brand image and selection by operating their own stores. Retailers, meanwhile, have determined that their private labels are more profitable. As a result, the lines between manufacturers and retailers have been blurring for years.

J.C. Penney, for example, has been

aggressive in marketing its Arizona jeans not only at its department stores, but at a separate Internet site. Bloomingdale's, Macy's and Hecht's also have their own brands.

While Estee Lauder Cos., one of the world's largest cosmetics companies, has ventured into direct Web sales with its Clinique line, it remains to be seen how widely its cosmetics and those of competitors will be distributed on-line.

Peter Neupert, who left Microsoft Corp. last year to start the on-line pharmacy Drugstore.com, said it had been tough convincing makers of fragrances and cosmetics that their wares will be well displayed in a Web superstore they do not own.

"One of our challenges is to convince the prestige folks that people will buy on-line, that convenience really matters, that we can create stores within the store to allow them to maintain their brand image," he said.

Some of the most visible conflicts have surfaced in the computer industry, where

Dell Computer Corp. and Gateway Inc. have championed Internet sales, goading Compaq, which has a huge sales force and retail network to worry about, into doing the same. The president of Gateway, Jeffrey Weitzen, said the direct-sales movement that has transformed his industry soon will roll through all sectors of the retail economy.

"There is no doubt in my mind that industry after industry will go through this," he said. "I do believe everyone is going to have to go direct with their customers."

Still, some manufacturers have decided they are not ready to sell on-line. Tableware maker Oneida Ltd., for example, said it may have dared to open outlet stores, but has no intention of competing with its customers — the department stores.

Some manufacturers worry that low-cost Internet operations will undercut traditional store sales. At least for now, most manufacturers that have ventured on-line are selling at or near retail price.

aggressive in marketing its Arizona jeans not only at its department stores, but at a separate Internet site. Bloomingdale's, Macy's and Hecht's also have their own brands.

While Estee Lauder Cos., one of the world's largest cosmetics companies, has ventured into direct Web sales with its Clinique line, it remains to be seen how widely its cosmetics and those of competitors will be distributed on-line.

Peter Neupert, who left Microsoft Corp. last year to start the on-line pharmacy Drugstore.com, said it had been tough convincing makers of fragrances and cosmetics that their wares will be well displayed in a Web superstore they do not own.

"One of our challenges is to convince the prestige folks that people will buy on-line, that convenience really matters, that we can create stores within the store to allow them to maintain their brand image," he said.

Some of the most visible conflicts have surfaced in the computer industry, where

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EUROPE

Poland's Doctors Feel They Are the Ailing Ones in Anemic Medical System

By Peter Finn
Washington Post Service

WARSAW — At the Litwiska Street Hospital here, the chief anesthesiologist, Dr. Marcin Krawiec, is on duty nearly 24 hours a day, getting sleep whenever he can and earning little more than his colleagues.

The hospital's surgeons call him constantly, pleading that he schedule this or that patient. He refuses most of their entreaties, and he acknowledges that relations within the hospital are severely strained.

Officials of the anesthesiologists' union are also calling Dr. Krawiec and telling him to accept only true emergencies. He backs back at them, that, in some cases, he cannot handle even the emergencies.

The wear is showing on the drawn face of the 25-year-old doctor. "Soon, I will be in a straightjacket or have a heart attack, or both," said Dr. Krawiec, who is on duty in his office after open-heart surgery on a 10-month-old girl.

Since Jan. 1, as many as 1,800 of Poland's 7,000 anesthesiologists have quit work to protest base salaries as low as \$225 a month, according to

the Union of Anesthesiologists.

The protests, which have been held on and off for years, were touched off again by national health-care reform, which was introduced this year and will usher in elements of private managed care to a woefully inefficient socialized system untouched since the collapse of Communist rule 10 years ago.

But some physicians and other health-care workers argue that it is reform without reward and that they are saddled with standards of living that even under communism were pitiful and now, in the new capitalist Poland, are a joke.

Under the new system, hospitals and physicians would be subject to controls like those of a managed-care system, although patients are supposed to be free to choose their doctors. But no pay increases are planned to raise the Communist-era salaries.

"The sweeper at the Ministry of Health earns more than I do," said Dr. Przemyslaw Jakubowski, an anesthesiologist and a leading figure in the protests.

His monthly base salary as a professor of anesthesiology at a teaching hospital is, he said, \$225. He earns an additional \$250 each month by

taking extra 24-hour shifts and for on-call duty.

"It's bloody ridiculous, really," he said.

The anesthesiologists' protest may escalate, as an umbrella organization for about 70 percent of Poland's 600,000 health-care workers called last week for a general medical strike, beginning Feb. 19.

Nurses, despite the settlement of a strike they declared late last year, remain militant over salaries that rise to the equivalent of only \$130 a month.

Leszek Balcerowicz, a deputy prime minister who is also minister of finance, said the protests harmed patients and were therefore unethical by the physicians' own professional code.

He said government spending on health care would rise by 14 percent this year even as Poland's budget was likely to be squeezed by a slowing economy.

"Under no circumstances should we give in to such pressures," he said.

The government began talks Wednesday with the doctors' umbrella organization to try to prevent a general strike. But the anesthesiologists' protests show no sign of abating. In some regions of the country, particularly the southeast and

parts of the west, no anesthesiologists are working, and patients with life-threatening emergencies are taken elsewhere.

At the Litwiska Street Hospital, one of Poland's main facilities for children, the number of surgeries has dropped by 90 percent since Jan. 1. People don't even ask now if they can schedule, for example, the removal of a child's tonsils.

Eight of the hospital's 11 anesthesiologists have resigned, leaving Dr. Krawiec with a skeleton staff and tough decisions.

Until introduction of the new health care system, patients here had three payment options — public, private and "black." In the latter, bribes, gifts and favors are provided physicians and staff to obtain better treatment.

In the public system, the government paid the bills, spending about 4.5 percent of gross national product on health care.

The reform is funded by direct employee contributions to 16 new nonprofit insurance funds, one for each region — would spin off public hospitals and clinics into autonomous units, which would have to be managed like enterprises.

The better the service, the more patients, lead-

ing to more money from the insurance funds. Similarly, family doctors would receive a fixed annual fee from the insurance funds for each patient.

In Warsaw, for instance, the fee is set at about \$23 per patient per year, which is intended to pay for all visits, lab tests and X-rays.

The government is trying to promote health-care efficiency and an end to unnecessary hospital stays and treatment.

But, as with the debate on managed care in the United States, physicians here say the new system encourages them to avoid treatment, and the temptation to do so is all the greater, they say, because fees are so small.

About 25 percent of Poland's 120,000 physicians practice privately, and many are refusing to sign contracts with the new funds because of the fee structures, according to the National Chamber of Polish Physicians and Dentists.

Thus, the reform's principal selling point — a patient's freedom to choose any doctor — is in doubt.

Some doctors in private practice are thriving because well-to-do Poles are willing to pay for health services out of their own pockets.

Serbs and Kosovars Get Nudge From Their Hosts To Speed Up Peace Talks

By Charles Truheart
Washington Post Service

PARIS — Diplomatic screws on the Kosovo negotiations were gently tightened on Monday with an expression of caution from the French foreign minister, Hubert Vedrine, and word that the conference's other co-host, Robin Cook, the British foreign secretary, would return Tuesday.

Mr. Vedrine, after saying "I cannot be optimistic" about the outcome of the talks, joined the negotiators at a presidential chateau in Rambouillet, where the talks began on Saturday.

The two antagonists at the conference — the Yugoslav Federation and its Serbian Republic on one side, a medley of independence-minded Kosovo representatives on the other — continued to review less contentious elements of a draft peace plan for the Serbian

province.

Four other foreign ministers from the overseeing Contact Group, including Secretary of State Madeleine Albright, are expected in Rambouillet to assess the progress of the talks and, if necessary, to add pressure to close a peace deal by the end of next week.

Nearly 2,000 civilians have been killed and 50,000 displaced in a year-long struggle for self-government by Kosovars, more than 90 percent of whom are ethnic Albanians, a Muslim minority in predominantly Eastern Orthodox Yugoslavia.

At Rambouillet on Monday, the two sides, still meeting with intermediaries, went over proposed plans for Kosovo's new constitution, for elections to choose a representative assembly for 2 million Kosovars, and for an international "ombudsman" force to guarantee respect for the interim accord. Western sources inside the chateau said.

One participant said the talks were going in a "reasonable, rational atmosphere." "No one is rushing out of rooms," he said. "There are no contrived incidents."

A stipulated review of the agreement in three years allows the diplomats and negotiators to defer potentially contentious issues — notably the whether and the how of Kosovo's eventual independence — and still proclaim a success in Rambouillet.

The conference is supposed to last no more than two weeks.

In the coming days, sources said, negotiators will take up an increasingly contentious list of issues. One will cover how Yugoslav and Serbian army and police forces will be withdrawn from the province, and the provisional dismantling of the guerrilla Kosovo Liberation Army, whose representatives are among the delegates in Rambouillet.

The draft plan goes so far as to specify the size of the firearms the remaining federal forces and new Kosovo security forces will be allowed to use.

Western sources quoted an unnamed member of the Serbian delegation as declaring that the draft text was "horrifying for us because it would take Serbia out of Kosovo completely."

That is precisely what the Kosovar negotiators want.

Not yet under formal discussion, sources said, is a pivotal piece of the diplomatic puzzle — the deployment of at least 30,000 troops in a multinational force to maintain peace and security during the interim period.

The United States would contribute as many as 5,000 troops to a force dominated by European military contingents and commanded by a British NATO general — all operating under the supreme authority of General Wesley Clark, the American who is the NATO commander.

NATO's renewed January threat to carry out air strikes on Kosovo and Serbia influenced the antagonists' decision to attend the peace talks here.

Foreign ministers of all six Kosovo "contact group" nations — the United States, France, Britain, Italy, Germany and Russia — are expected in Rambouillet this weekend, at the midpoint of the scheduled negotiating period.

On Monday, the Kosovo Albanians won a small tactical victory when their American advisers, initially barred by conference hosts, were allowed to visit them at the chateau. They included two former U.S. diplomats, Morton Abramowitz and Paul Williams.

The night before, they lost a maneuver when the three Western mediators — the American envoy Christopher Hill; an Austrian, Wolfgang Petritsch; and a Russian, Boris Mayorov — refused to entertain a Kosovo motion to call an immediate cease-fire in the province.

A cease-fire theoretically has been in place since the October accord between the U.S. negotiator Richard Holbrooke and President Slobodan Milosevic.

Talks Resume on Bosnian City

Arbitrators began a new round of talks Monday on the status of Brcko, a disputed Bosnian city, with Bosnian Serbs and the Muslim-Croat Federation both pressing for a long-delayed decision. The Associated Press reported from Vienna.

U.S. mediators, Bosnian Serbs and leading members of the federation arrived Sunday for the conference at a Vienna hotel — the third round of talks on the explosive issue of Brcko in three years.



Defense Minister Rudolf Scharping, left, escorting the U.S. defense secretary, William Cohen, by guards at the Foreign Ministry in Bonn on Monday. They discussed Kosovo.

INTERNATIONAL

Mugabe Assails Press and Judges

He Appears to Support Zimbabwe Army's Torture of Reporters

By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — In an angry televised address, President Robert Mugabe of Zimbabwe pushed his country toward a constitutional crisis over the weekend.

The president suggested that the Supreme Court resign, threatened "very stern measures" against the independent press and appeared to support the army's decision to arrest and then apparently torture two journalists and to defy court orders that they be released.

He also suggested that the article that led to the arrests — which said that 23 army officers had been arrested for plotting a coup — had been planted by British agents. Although the two journalists for the Zimbabwe Standard who wrote the Jan. 10 article are black, he accused white journalists and human rights activists of plotting against him and warned that "they have pushed our sense of racial tolerance to the limit."

Meanwhile, the police arrested three more Zimbabwean journalists on Monday. The Associated Press reported from Harare.

Detectives took Grace Kwinjeh, a reporter with the independent weekly Zimbabwe Mirror, from the newspaper's offices, said the chief editor, Ilibo Mandaza. The detectives said they wanted to question her over an October report on the return of the bodies of Zimbabwean soldiers from Congo. Some 8,000 Zimbabwean troops are backing the Congolese president, Laurent Kabila.

Later, the Mirror's news editor, Fernando Goncalves, and Farai Mungazi, who worked on the paper when Miss Kwinjeh's article appeared, were also arrested.

"This is designed to intimidate the media from

doing its work," Mr. Mandaza said. "We are not afraid, and we will confront and resist this intimidation."

In his televised address, which was shown on state television Saturday night and again Sunday morning, Mr. Mugabe was reacting to a letter sent to him on Jan. 25 by three Supreme Court justices. It asked that the president "confirm that the rule of law is accepted as a necessary ingredient of a democratic Zimbabwe."

It also asked that he confirm that the army had no power to arrest civilians and that the government would not tolerate torture, and to reassure the judiciary that the government would act in accordance with the constitution.

In his reply, a visibly angry Mr. Mugabe defended the army's actions, saying it had been horrified by the article.

"Propelled by the unquestionable loyalty and commitment to the defense and security of the state, they wanted to establish the source of the falsehood and so they proceeded in the manner they did," Mr. Mugabe said, according to an Agence France-Presse account of the speech.

The two journalists, Ray Choto and Mark Chavandanda, said they were tortured with electric shocks applied to their genitals by intelligence officers demanding the names of their sources. The Defense Ministry dismissed them as liars, but a doctor who examined them said they had been tortured.

"If The Standard had not behaved in such a blatantly dishonest and unethical manner, the army would not have acted the way they did," Mr. Mugabe said. He accused the judges of "an outrageous and deliberate act of impudence," and said that since they were meddling in politics, they should "quit the bench and join the political forum."

Sierra Leone President to Talk to Rebels

FREETOWN, Sierra Leone — Sierra Leone's embattled president has announced a dramatic policy change, agreeing to talk to the rebels who unleashed a reign of terror to try to topple him.

President Ahmad Tejan Kabbah said in a broadcast Sunday night that he would allow Foday Sankoh, the detained leader of the Revolutionary United Front, to travel for talks with his guerrilla chiefs on a new peace plan.

But Mr. Kabbah said any talks with rebels must be held under the framework of a 1996 accord signed with Mr. Sankoh in Abidjan, Ivory Coast, on ending civil war in the West African country.

"The rebels must recognize the legitimacy of my government," Mr. Kabbah said, referring to the central provision of that accord.

The rebels also must halt all armed attacks on civilians and present no preconditions for talks, Mr. Kabbah added.

Other key points in the Abidjan accord call for recognition of the Revolutionary United Front as a political party, amnesty for its guerrillas and their integration into Sierra Leone society once they have been disarmed and demobilized.

"I have agreed to allow Corporal Foday Sankoh

to have a face-to-face meeting with other members of the RUF at a suitable venue to be determined," Mr. Kabbah said.

Corporal Sankoh is in the custody of the Nigerian-led West African intervention force, Ecomog, which is defending Mr. Kabbah's government against rebels who ousted the elected president for 10 months in 1997.

The rebel leader was sentenced to death last year in connection with the 1997 coup and atrocities blamed on the military junta that supplanted Mr. Kabbah's government in that year.

Sierra Leone's civil war, which dates to 1991, intensified late last year when the RUF and renegade soldiers launched an offensive in a bid to free Mr. Sankoh.

They stormed Freetown on Jan. 6, catching Ecomog forces by surprise.

Hospital sources and aid workers say at least 3,000 people died in two weeks of mayhem when rebels went on a killing and burning campaign in Freetown.

Mr. Kabbah offered to free Mr. Sankoh at the height of the latest fighting but later hardened his policy toward rebels as Ecomog appeared to rethink the initiative in the fighting.

GERMANY: Coalition's Loss

Continued from Page 1

Mr. Schreiner said the Christian Democrats were fanning xenophobic sentiments by pushing a petition drive that was endorsed by rightist extremist parties that are connected to neo-Nazi movements.

Gunda Roessel, a leader of the Greens party, which suffered a 4 percent drop in support in Hesse, charged the Christian Democrats with waging "a highly immoral campaign" and warned that its slide to the right on the citizenship issue could end up legitimizing extremist and anti-democratic tendencies.

But Oskar Lafontaine, the leader of the Social Democrats, said the party needed to absorb the lessons of the Hesse election — the first of seven state elections this year in Germany — and, if necessary, carry out a course correction in dealing with volatile issues like immigration and citizenship.

"We need to draw the consequences from this," Mr. Lafontaine said. "We need to find a compromise that can satisfy the needs of millions of long-term foreign residents, but at the same time does not whip up anti-foreign sentiment among native Germans."

of foreign investments of Germany's 16 states.

But many Germans, in Hesse and elsewhere, have become alarmed by the growing influx of foreigners who have slowly transformed the identity of the country. Germany now plays host to more foreigners than any other country in Europe; in some cities, such as the financial capital Frankfurt, foreigners now account for up to one-third of the population.

The Christian Democrats effectively played on those fears by insisting the dual citizenship law would provide unfair advantages to the foreign population and encourage a further wave of immigrants by attracting the extended families of Turks and other foreign workers who settled here.

"It was completely irresponsible, the way the conservatives manipulated the voters on the citizenship reform issue with their campaign of fear," said Ottmar Schreiner, the party manager of the Social Democrats. "We underestimated how far they would go to agitate the people."

BRIEFLY

Hong Kong Ruling Criticized in China

BEIJING — A top Chinese cabinet official criticized on Monday Hong Kong court ruling that opens the way to mass immigration from the mainland, saying that it was "very dangerous" should be reversed.

The decision of the Hong Kong court was a mistake and against the Basic Law, said Zhao Qidong, director of the State Council Information Office. The Basic Law is Hong Kong's postcolonial constitution and was drafted in Beijing.

"This decision should be changed," Mr. Zhao said at a New Year reception. "It is a serious matter."

It was the first official Chinese comment on a ruling last month by the Court of Final Appeal that gave illegitimate children born before 1997 the right to become Hong Kong residents and to live in the territory.

Vote in East Timor A Face-Saver

UNITED NATIONS, N.Y. — Indonesia and Portugal have agreed in principle to a vote, organized by the United Nations, in East Timor that could lead to independence for the former Portuguese colony.

The vote, on whether to remain part of Indonesia with wide autonomy, is expected to be held before August, according to United Nations spokesman.

It is the Timorese, as expected, just staying with Indonesia, but would give up the territory's former colonial power, and United Nations could take over the independence, he said.

Mr. Gama remarked that "face-saving for Indonesia is serving for us, face-saving for Timorese."

A Singapore Critic Is Facing New Trial

SINGAPORE — An opposition activist, Chee Soon Juan, who served a seven-day sentence for speaking publicly without permission, faces another prison term if he is convicted in a second trial, which is to begin on Tuesday.

Mr. Chee said after his arrest that he was "not afraid" of prison. He said he was "not afraid" of prison. He said he was "not afraid" of prison.

BRIEFLY

Vatican Shuts Case Of Guard Murders

ROME — Nine months after the commander of the Swiss Guards was killed inside the Holy See, the Vatican on Monday closed the case, concluding that the church investigators' initial hypothesis, that he was murdered by a disgruntled subordinate, was correct.

On May 4, only a few hours after he was appointed to lead the Vatican guards, Alois Estermann and his wife, Gladys Meza Romero, were found shot to death in their Vatican apartment. The body of a 23-year-old Swiss guard, Cedric Tornay, was discovered nearby.

"The conclusion has been reached that the Estermanns were killed by vice-corporal Cedric Tornay, who then took his own life with the same ordnance pistol," a 10-page report concluded. The report said that drugs and mental illness may have played a part in the murders.

Marine Pilot Flew Too Low, Too Fast

CAMP LEJEUNE, North Carolina — A Marine pilot whose jet severed an Italian gondola cable, killing 20 people, was "a good stick" but flew too low and too fast whenever he could the day of the tragedy, a prosecutor said Monday at his court-martial.

Captain Richard Ashby was on his last training flight in Italy before deployment when his jet hit the cable. Lieutenant Carol Joyce said in opening arguments.

"Whenever he had the opportunity to fly too low and too fast, he did it," she said of his conduct that day. Lieutenant Joyce said a back-seat crewman will testify Captain Ashby even performed a 360-degree barrel roll during the flight, against regulations.

Holocaust Offer 'Flatly Rejected'

WASHINGTON — Holocaust survivors and their families suing German firms for compensation for Nazi-era slave labor have rejected a \$1.3 billion settlement offer, a source close to the negotiations said Monday.

The rejection deals a setback to the proposed merger between the U.S. firm Banker's Trust and Deutsche Bank, one of the German companies targeted by the plaintiffs.

The source said the offer, made 10 days ago, was "flatly rejected." Deutsche Bank had offered \$280 million and the other German firms in the case had offered between \$500 million and \$1 billion, the source said. News of the refusal came as talks between the different players in the case were to begin Monday in Washington.

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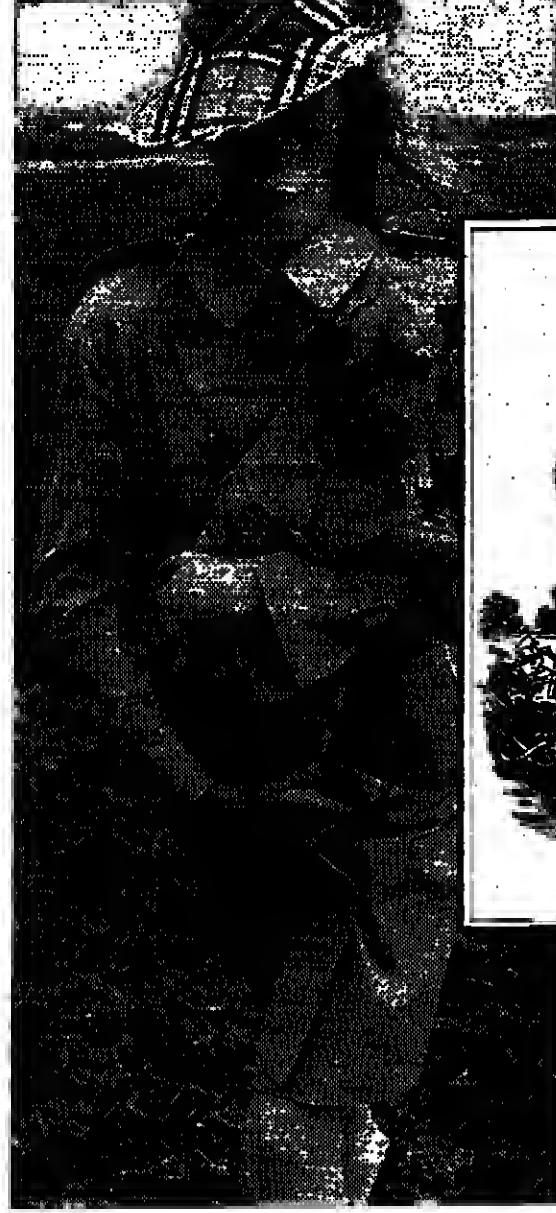
Men's Ties
Right, leather motorcycle jacket and motocross pants as utility separates.



Burberry's motorcycle gear, from a 1930s illustration.



Trio in a motocross leather jacket, a leather coat and a Burberry plaid raincoat, layered with check and cream dresses or a kilt skirt, and with gaiters and golf shoes.



Men's Ties
Left, uped version of the clac trench, with maff dog coat.



The tradition Burberry, as won for privilege shooting.

Stodginess in Check, a Classic Sports Sophistication

By Suzy Menkes
International Herald Tribune

LONDON — Imagine Queen Elizabeth hiking up her Highland kilt, swapping her sweater-set for a motocross jacket and launching herself on the club scene — you'll get some idea of the impact of Burberry hitting the British fashion week runway this month.

The dowager label, a fashion refuge for country matrons, retired colonels, stolid business executives and tourists on the heritage beat, has had a spiffy makeover.

After a year of major surgery, the new look gleams on the pale, sanded floor of its spruced-up headquarters in London's Haymarket; it glows in an ink-blue version of the famous Burberry check; it beams from the tough leather jackets, cute stretch skirts and brief versions of the familiar raincoat.

And what you see now in the stores for spring is nothing compared with the new fall collection to be shown Feb. 22 during London Fashion Week, said Rose Marie Bravo, who is running the brand.

"We are at the very beginning — we have a lot of work to do, this is just the DNA. We are aiming for an international luxury brand with a British sensibility," said Bravo, who was president of Saks Fifth Avenue in New York before taking over as chief executive officer at Burberry in October 1997. That was exactly 150 years after Thomas Burberry founded a business built on keeping rain-soaked British weather in check.

Like the gale-force winds that are famously repelled by the house's signature gabardine, Bravo has swept through the house, appointing a new designer, the Italian-born Roberto Menichetti, and an American management team. She has dusted down the iconic plaid cashmere scarf, cleansed the "gray" market of discount sales and taken the 1912 flagship store back to its original grandeur, thus literally and metaphorically lightning things up.

"This particular store is blessed with beautiful bones," Bravo said, relishing the sight of a group of young Italian women descending on Menichetti's high fashion collection, while Japanese customers browsed through the more traditional golf jackets, kilt skirts and blazers in the Burberry London range.

Surely "Burberry's of London"? No — the "B" and the stuffiness have gone, with a streamlined new logo and an advertising campaign by the photographer Mario Testino (of Gucci and Diana, Princess of Wales, fame). The new ads are enough to make the old guard run for cover: motocyclists in a wild bunch of sexually charged, body-bugging clothing and couples cavorting on a wind-swept shore.

That is a far cry from the intrepid spirit of the original Burberry wearers. In the glory days of the British colonial empire, they set off on flying expeditions, military campaigns, big game safaris in Africa and through the monsoons of India, confident that a Burberry would keep them and their powder dry.

Their letters, published in a 1931 book, "Open Spaces," offer hilarious and hair-raising testimony to the derring-do of an officer, dying of thirst in the African bush, who used his coat to catch raindrops, and another, in the Indian Army, who rushed into the breach in waterproof breeches. This was then the company creed:

"For safety on land, in the air, or afloat, there is nothing to equal the Burberry coat."

Protection, Bravo said, is still the essence of the brand, and outerwear is its core product. Yet this has to mean more than the raincoats — especially since Burberry's competitors have accessible key items, from Louis Vuitton's purses to Hermes headscarves and Gucci belts. Accessories are a projected growth area and so is sportswear.

Functional clothing is a universal look. And Menichetti has dug into the adventure heritage and introduced ergonomic and utility elements (think pouch pockets, high-tech wadding and spats). His background at Jil Sander menswear makes him interested in modern fabric research. An "explosion" cotton, its filaments developed for NASA space missions, is used for new raincoats, while motorcycle jackets (in fact, a Burberry classic) are made from cotton impregnated with oil.

Since Bravo has deliberately concentrated on women's wear ("You have to for an international luxury brand today," she said) the changes seem dramatic, with the check printed on gauzy fabrics layered into long dresses.

To a British eye, the country roots that the brand had put down over the last 30 years, have been brutally dug up and replaced with an urban sophistication that looks as foreign as the dark-background check and the tone-on-tone vinyl bags.

"If we marketed ourselves as strictly country," Bravo said, "I would think it wouldn't be as international, it should be more sportive, more weekend wear." She explained how traditional silhouettes have been re-proportioned, and how the accessories, from quilted reversible purses through generous plaid throws, have been developed.

MAYBE it takes "someone from the outside," as Bravo put it, to create a modern distillation of the brand's essence. Menichetti said that growing up in Italy, "my memory is of every old man I know wanting one piece of Burberry — it means modern class and sportiness."

Bravo defines Burberry as "a certain classicism, a raincoat and the iconic scarf, but with wit, a bit of the unexpected that it's tricky to put your finger on."

Neither sees Burberry, as the British would, as entrenched in an old class structure of codes and symbols, which was rejected, along with the beige trench and the check scarf, in the social revolution of the 1960s. That is when, and why, the label went out of fashion with a new generation unwilling to genuflect to the gentry and to an antiquated aristocratic system that Burberry seemed to represent. Ironically, it is just that class status which still appeals to foreigners.

With heavy fashion irony, Cool Britannia rock stars like

Liam Gallagher and even Jarvis Cocker currently wear the Burberry check, but it will take a lot to win the Brits back.

Bravo admitted that British shoppers showed up only during the biannual sales. She wants to get a better balance of customers by age and from different continents, increasing the American market share, which is currently one-third of total sales. Over-reliance on the now troubled Asian market has hit recent sales, which dropped to £90 million (\$147 million) in 1998 from £127 million in the previous year, while profits fell to £2 million, from £19.9 million, according to figures published by Burberry's parent company, Great Universal Stores PLC.

Some analysts have suggested that Bravo may have been brought in by Great Universal Stores to "sell it like a Gucci," meaning to fatten up the business to sell it to the British.

Burberry's American-based parent, Great Universal Stores, said it was not a Gucci sale, but a strategic move to produce additional income.

"What we have to do is to put a new spin on the items to produce additional income," Bravo said. "The great success in business is sticking with a business, not buying and selling if you think you've got a good asset."

If Burberry's show during London Fashion Week can reinforce the brand's identity while giving it modern spin, Bravo will have begun to capture fashionable hearts and minds and imprint on them the iconic check.

BOOKS

THE AGE OF TERROR

By David Plante. Illustrated. 224 pages.
\$24.95. St. Martin's Press.

Reviewed by Richard Bernstein

DAVID PLANTE'S new novel takes place mostly in the Soviet Union during its bedraggled and dissipated final years, but also in the feverish mind of its main character, called, with American simplicity, Joe. A shy and uncertain 23-year-old man who lives in a house somewhere in the American woods, Joe sees in a magazine a picture of the corpse of one Zoya Kosmodemyanskaya (a photograph reproduced at the beginning of Plante's book), a Russian martyr to wartime German cruelty.

Kosmodemyanskaya was "a Soviet partisan who had fought for her belief in the Soviet Union and was captured and tortured and hanged by the enemy Germans." Joe, looking at her picture, is seized by "a profound helplessness" and a need somehow to redeem the suffering that is visible in the photograph.

The next thing we know, he is in Leningrad during a snowstorm. Wandering in the streets, he meets a beautiful woman whose name is also Zoya, and for the remainder of Plante's dark and mysterious tale, it is in her that Joe invests the vague obsession awakened by the photo of Zoya's murdered namesake.

This book by Plante, who has written 13 previous novels, including "Annunciation" and "The Native," bears some similarity to "The White Hotel," by D.M. Thomas, especially in its exploration of the themes of historical evil and contemporary madness. It is often powerful and disturbing, but also conceptually vague, fraught with its own Gothic qualities — the unexplained coincidence in Zoya's name, the very pathological helplessness of Joe, a wanderer in the fields of late Soviet moral collapse.

And while this kind of strangeness might normally be commended in a novel, in this instance it weakens it. This is because the themes that Plante seems to want to explore — the struggle of the human soul in the face of spiritual disintegration — are overwhelmed by Joe's very pathology. He is helpless beyond normal understanding, almost inert, and these individual characteristics seem almost irrelevant to the solid presences surrounding him.

At the center of the book is an insalubrious triangle formed by Joe, Zoya, and a second American, a kind of cynical foil to Joe who maintains a Svengali-like hold on Zoya. This is Gerald, the son of a Southern senator, who is dissolute, cynical, alcoholic and evilly prescient, a man with an unerring sense of the corrupt heart of things. With Gerald a dominant and scary figure in Zoya's life, Joe is pressed to engage in three intermingled struggles. One is against his own sluggish nature, another is an Oedipal battle with Gerald and the third is a desperate and losing fight to interpose his love for Zoya against the soulless

envy of the Soviet Union. Paralleling the main story are brief, seemingly unrelated historical fables of life in Russia and the Soviet Union. But these fables are not made clear in Plante's story, though this is not a fault in itself. "The Age of Terror" can be read as an allegory of the incomprehensibility of human suffering, and tries to achieve its aim by mingling several seemingly unrelated elements. But the elements, while suggestive, always edged with psychological terror, seem gratuitously in Plante's book.

Still, "The Age of Terror" contains powerful images of spiritual and material decay in a society whose fiber has been corroded. The point, Gerald tells Joe why he went to the Soviet Union: "Because I knew everything I was ever capable of doing that was true had already happened, documented black and white, in Russia because Russia was, and is, the country of the greatest suffering in the world, beyond anyone's imagination."

What is documented in black and white, of course, is that photo of the martyred Zoya. Gerald and Joe have some moments of insight into their common fate as the living Zoya. Both are drawn to her because it is a chance to draw something indecipherable of the map of human existence. Despite the vagueness that slows this novel, that alone is an idea worth pondering.

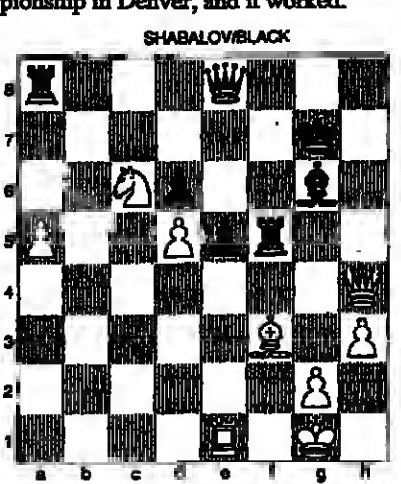
New York Times Service

CHESS

By Robert Byrne

IT MUST NOT be assumed that opponents are in a conciliatory mood when they adopt a slow-paced opening. They generally reserve their subtleties for the middle game or the endgame.

This strategy was employed by the international master Igor Ivanov of California against the Pittsburgh grandmaster Alexander Shabalov in the third round of the 1998 United States Championship in Denver, and it worked.



Position after 35...Kg7

Lately, several grandmasters, led by Boris Gelfand, are trying out this rarely seen Smyslov System. Its object, more visible after 6...e3, is to hold the dark squares in the center and play a conservative positional game where Black's counterattacks are kept to a minimum.

In such positions as arise after 7.Bh4, Mikhail Botvinnik always used to go for the bishop pair with 7...g5. Bg3 Nh5 in his marvellously dogmatic way. But if 9.Bd3 e6 10.Qd2 f5 11.O-O-O Nd7, it is very much up to White to demonstrate a flaw in the black formation.

Shabalov's activity on the queenside with 9...b5, which chips away at the white center, has been recommended, but Ivanov sets it up for a fall in this game.

After 14.h3, it was not appetizing to give Ivanov the bishop pair with 14...Bf3 15.Bf3, so Shabalov retreated with 14...Be6. And Ivanov confronted him with the gulfed 15.b5! Probably the best defense would have been 15...Rc8 and if 16.Rc1, then 16...cb, when 17.d5 Rc3! 18.Rc3 Nd5 19.Rc1 Nc3 20.Qd2 Ne2 21.Qe2 Be4 costs White a pawn.

But Shabalov routinely played 15...cb and after 16.d5! Bf3 17.Nd4! Ivanov threatened to wreck the black kingside with 18.Nf5 and recover the sacrificed pawn any time he liked.

After 20...Ne4, Ivanov had to sacrifice a rook for a bishop and pawn with 21.Ne4 Bf1 22.Qa1 Be4 23.Qd4! Bg6 24.ba, but he had clear positional superi-

ority that tipped the scales in his favor. In this line, countering with 23...Nf6 would lose another to 24.Bd6! e5 25.Qf6 Kh7 26.bxc6 26...Bd5! proves to be blunder after 27.Qf5.

After 33.Qb5, Ivanov had won another pawn and had a king in his sights. Bringing another piece to the attack with 36.Nd4 was decisive 36...Rf4, then 37.Ne6! Qe6 38.Rb4! Bb8 R4 40.Bc7 R4 41.e7 and the cunning 42.e8/Q will cost Black his bishop.

After 39.f5, Shabalov gave up in view of 39...h7 40.h5, winning the bishop.

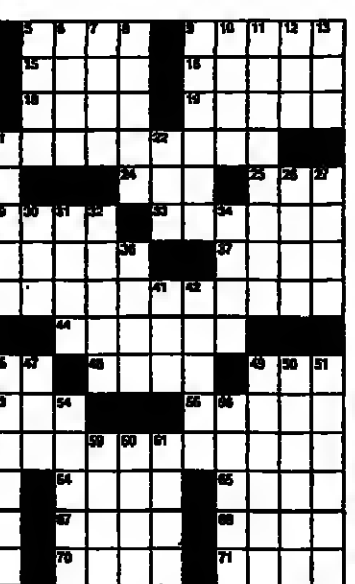
KING INDIAN DEFENSE			
White	Black	White	Black
1 Nf3	Nf6	20 g3	Ne4
2 c4	Bb4	21 Bf3	Be4
3 Nc3	Bxc3	22 Nd4	Ne4
4 d4	Qd6	23 Qd4	Be6
5 Bg5	Bd7	24 h3	Ne5
6 e3	h6	25 f4	Ne4
7 Bb2	g7	26 Bf3	g6
8 Qd2	g7	27 Bf3	g6
9 0-0	h6	28 Bf3	g6
10 Bf3	h6	29 Bf3	g6
11 a3	Bf3	30 Bf3	g6
12 Bc2	Bf3	31 Qe4	Ng5
13 Bc2	Bf3	32 Qe4	Ng5
14 h3	Bf3	33 Qe4	Ng5
15 Bf3	Bf3	34 R4	R5
16 d5	Bf3	35 Qd4	R7
17 Nd4	Bf3	36 Qd4	R7
18 Ne4	Bf3	37 Ne4	R7
19 ab	Bf3	38 Ne4	R7
		39 Qf5	R7

CROSSWORD

- ACROSS**
- Does a standard dog trick
 - Flock members
 - Actor Cary of "Twister"
 - To be in Toulon
 - Ernie's "Sesame Street" pal
 - lonce (lit. viper)
 - Kind of instrument
 - The "B" of N.B.
 - Nourishes
 - Country club employees
 - Ink for one plume
 - Sulky state

- DOWN**
- Assail
 - Originally named
 - Conal formation
 - Long John Silver, e.g.
 - Troned
 - majest
 - Col. Klink player on "Hogan's Heroes"
 - Certain unit
 - Channel swimmer
 - Gratitude
 - Remove the pits from
 - Capt. Hook's companion
 - Martians, e.g.
 - Glimpse
 - Animal doc

- ACROSS**
- 27 River through Bavaria
 - 28 Fossil contraction
 - 29 Three-time speed skating gold medalist
 - 30 Circus
 - 31 Impresario Irvin and others
 - 32 Mirth
 - 33 Suffix with exist
 - 34 Consider
 - 35 Joins in holy matrimony
 - 36 Gen. Robt. —
 - 37 Completely excused, in surgery
 - 38 G.I. chew in Desert Storm
 - 39 Military academy freshman
 - 40 Yurrs inside out
 - 41 Rep. Joe
 - 42 Book after Nehemiah
 - 43 Cigars
 - 44 TV's "Remington —"
 - 45 Half-strung
 - 46 — nous
 - 47 Actress Russo
 - 48 Place for a farmer?
 - 49 Dared devil
 - 50 Knave



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See our International Franchises every Wednesday in The Intermarket

Solution to Puzzle of Feb. 8

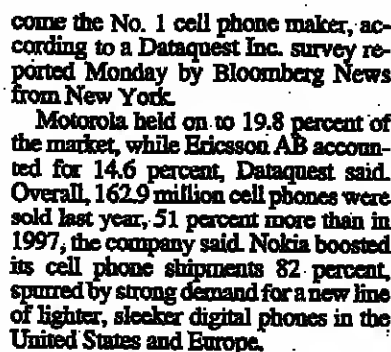
EPSON GUEN KANT
LAURE HERO ALDE
SWEETHEART NINA
ENTREPRENEUR SADSACK
RITE OASIS
HALF LOAFERS
OCALA BROS ELL
STVALENTINESDAY
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TOREROS ASPIS
APOOT NCAA
WINDSET ENFORCE
ALTA TILLETDOUX
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Bearish Analysts Undermine Stocks

Microsoft to Reorganize Into 4 Units



By David Barboza
New York Times Service

plans to offer new services or upgrade their wireless communications operations so that businesses and consumers may have some access to the Internet. AT&T Corp., for instance, already offers wireless service that taps into electronic mail and Internet information. 'This is part of a trend,' said Roberta Wiggins, a wireless-communications analyst at Yankee Group in Boston. 'People have been saying, "There are all these people with cell phones and all these people with access to the Internet, and at some point people are going to put these two things together."' Separately, Microsoft Corp. and British Telecommunications PLC said they would develop wireless Internet and corporate data services outside North America, Bloomberg News reported from London. The companies will begin testing the services in Britain within the next few months and plan to make them available around the world early next year. BT, Microsoft and Concert, a BT venture that targets global corporate cli-

- ▶ **International Business Machines Corp.** will join with **EMI Group PLC**, the Warner Music unit of **EMI Group Inc.**, **Universal Studios Inc.** and **Bertelsmann AG** of Germany to test software that allows music sales to bypass the Internet.
- ▶ **Stroh Brewery Co.**, the No. 4 U.S. brewer, is to sell its beer brands to rivals **Pabst Brewing Co.** and **Miller Brewing Co.**, according to the business after 149 years to concentrate on real-estate interests. Analysts valued the transaction at \$400 million.
- ▶ **William Hambrecht**, a California investment banker, will introduce a system for underwriting initial public stock offerings through the Internet: an on-line auction in which investors would indicate the highest price they would pay for a given number of shares.
- ▶ **Chubb Corp.** has agreed to buy specialty insurer **Executive Risk Inc.** in a stock swap valued at about \$850 million.
- ▶ **ImmuLogic Pharmaceutical Corp.**, a biopharmaceutical company in Waltham, Massachusetts, has decided to close its business and is preparing a plan to distribute company assets to stockholders. The company did not elaborate on the reasons for the closure.

Bloomberg, Reuters, NYT

LOS ANGELES — "Payback" dominated the U.S. box office over the weekend, with a gross of \$21.4 million.

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday:

1. Payback	Paramount	\$21.4 million
2. Sleepy's All That	Miramax	\$7.7 million
3. Patch Adams	Universal Pictures	\$4.5 million
4. Variety Blues	Paramount	\$4 million
5. The Last Private Ryan	Twentieth Century-Fox	\$3.8 million
6. Shakespeare in Love	Miramax	\$3.3 million
7. A Civil Action	Twentieth Century Pictures	\$2.2 million
8. The Untouchables	Columbia Pictures	\$2.1 million
9. Simply Irresistible	Twentieth Century-Fox	\$2.1 million
10. You've Got Mail	Warner Bros.	\$2.1 million

Bloomberg News
NEW YORK — The dollar rose against the yen for a second day Monday as Japanese officials called for lower bond yields to encourage borrowing and curb the yen's rise, both of which would help lift Japan from its worst recession in

"Rates have essentially tripled in the last few months," said Jamie Coleman, a senior analyst at Thomson Global Markets in Boston. The call by Mr. Miyazawa and others would have the "double

The euro rose to \$1.1322 from \$1.1292 even though a slowdown in German industrial production bolstered

INTERNATIONAL FUTURES

	Low	Latent	Chge	Opt'd		High	Low	Latent	Chge	Opt'd
INDICENT										
ITALIAN GOVERNMENT BOND										
12/20 mat'rs, 1% per 100 pcd										
Jun 99	99.25	100.15	-1.50	15.00	Est. vol: 100,000					
Jul 99	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Aug 99	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Oct 99	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
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Sep 09	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Oct 09	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Nov 09	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Dec 09	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Jan 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Feb 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Mar 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Apr 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
May 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Jun 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Jul 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Aug 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Sep 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Oct 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Nov 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Dec 10	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					
Jan 11	99.25	99.25	-	7.25	Est. vol: N/A. Prev. index 47.00					

-10.00 (LIFFE)		Oct 99	61.20	61.80	61.80	+0.37	12.81
+0.42 44.76		Oct 99	61.80	61.80	61.80	+0.42	14.45
+0.52		Est. notes 12,000 N.A. Pkts 2,028					
		Eds. notes Oct 76/76, 1st 375					
HEATING OIL (OHEM)							
		40,000 gal. cents per gal.	30.20	30.20	30.20	0.00	45.7
unch.	11.82	Nov 99	31.60	30.90	30.94	-0.44	12.4
unch.	4.91	Dec 99	32.00	31.20	31.24	-0.44	14.0
unch.	2.22	Jan 00	32.00	32.29	32.39	-0.34	13.0
unch.		Feb 00	34.00	33.25	33.34	-0.46	11.5
unch.	19.40	Mar 00	34.50	34.29	34.39	-0.46	9.4
unch.	4.94	May 00	35.50	35.29	35.39	-0.44	11.0
unch.	12.50	Eds. notes N.A. Pkts 24,773					
unch.	4.94	Eds. notes Oct 15/17, 1st 1,179					
LIGHT STRAW CRUDE (OHEM)							
		1,000 bbl. dollars per bbl.	11.50	11.50	11.50	0.00	92.0
unch.	9.93	Nov 99	11.54	11.57	11.67	+0.13	92.0
unch.	9.93	Dec 99	11.54	11.62	11.63	+0.14	14.0
unch.	9.93	Jan 00	12.19	12.10	11.97	-0.17	24.7
unch.	12.50	Feb 00	12.49	12.22	12.12	-0.23	24.7
unch.	12.50	Mar 00	12.49	12.22	12.27	-0.11	12.6
unch.	11.25	Eds. notes N.A. Pkts 16,585					
unch.	11.25	Eds. notes Oct 15/19, 2nd 2,238					
NATURAL GAS (OHEM)							
		100,000 cu. ft. per mm Btu	1.05	1.70	1.81	+0.18	25.3
unch.	12.50	Nov 99	1.80	1.85	1.85	+0.05	15.0
unch.	12.50	Dec 99	1.80	1.85	1.85	+0.05	15.0
unch.	12.50	Jan 00	1.90	1.88	1.90	+0.02	15.0
unch.	12.50	Feb 00	1.90	1.91	1.91	+0.01	15.0
unch.	12.50	Mar 00	1.90	1.91	1.91	+0.01	15.0
unch.	12.50	Eds. notes N.A. Pkts 68,099					
unch.	12.50	Eds. notes Oct 23/26, 1st 1,891					
DILSEADED GASOLINE (OHEM)							
		42,000 gal. cents per gal.	34.00	34.00	34.00	0.00	45.7
unch.	11.82	Nov 99	35.50	34.50	34.78	-0.21	32.9
unch.	4.91	Dec 99	36.00	35.00	35.04	-0.21	32.9
unch.	2.22	Jan 00	36.70	36.10	36.15	-0.21	32.9
unch.	19.40	Feb 00	37.00	36.25	36.35	-0.21	32.9
unch.	4.94	Mar 00	37.00	36.25	36.35	-0.21	32.9
unch.	12.50	Eds. notes N.A. Pkts 25,812					
unch.	12.50	Eds. notes Oct 16/19, 1st 1,791					
GASOLIN (OPE)							
		U.S. dollars per metric ton - lots of 100 tons					
unch.	16.96	Feb 99	94.00	92.75	93.00	-1.00	19.0
unch.	16.96	Mar 99	94.00	92.75	93.00	-1.00	19.0
unch.	16.96	Apr 99	94.00	92.75	93.00	-1.00	19.0
unch.	16.96	May 99	94.00	92.75	93.00	-1.00	19.0
unch.	16.96	Eds. notes 17,600 Pwv. notes 19,394					
unch.	16.96	Eds. notes Nt. 73,407 up 179					
BREXIT OIL (OPE)							
		U.S. dollars per metric ton - lots of 1,000 barrels					
unch.	16.96	Nov 99	10.49	10.10	10.14	-0.25	40.0
unch.	16.96	Dec 99	10.49	10.10	10.13	-0.19	40.0
unch.	16.96	Jan 00	10.49	10.10	10.13		

Continued from Page 9

plant shutdowns in the coming months.

After Brazil floated its currency last month, the real plummeted 40 percent before reviving somewhat. The drop in the real is beginning to undercut Argentine exports — particularly cars, steel, rice and fruit — that compete with Brazilian ones, since the Argentine peso remains pegged to the

strong U.S. dollar. Argentina has made some modest policy changes, such as cutting taxes for exporters, in response. But Argentine industrialists and opposition politicians are increasing the pressure on President Carlos Saul Menem to raise tariffs on Brazilian goods, a move that would jeopardize a regional free-trade zone that, it is hoped, will someday include all of South America.

Trade officials have put together a list of scores of Brazilian goods for which import licenses may be required beginning March 1 — a bureaucratic device aimed at slowing the pace of Brazilian goods entering the country. Mr. Menem is expected to use the list as leverage for a cut in Brazilian export subsidies when he meets with President Fernando Henrique Cardoso of Brazil on Friday.

“We could erect a wall or put barbed wires between the two countries or even dynamic bridges,” Jorge Campbell, Argentina’s top trade negotiator, said jokingly recently. But he said the government preferred to negotiate.

Since Argentina, Brazil, Uruguay and Paraguay signed a treaty in 1991 aimed at creating a free-trade zone, with no import bans or quotas for local products, trade among the four countries has climbed from \$4 billion to more than \$20 billion a year. A full 30 percent of Argentina’s international trade is with Brazil, with a \$1 billion surplus for the Argentine account last year.

grow rice, not a major ingredient in the Argentine diet, for Brazilian consumers.

Entre Rios now produces 55 percent of Argentina's rice output. Rice represents much of the province's \$600 million annual exports, with two-thirds of it going to Brazil.

Rice produced few jobs directly, but it generated tax revenues for the provincial and local governments, spurring an expansion of public universities, improvements in river ports and the extension of telephone and electricity lines to the most remote villages. A boom in seed-processing plants, granaries and silos produced thousands of construction and service jobs.

With prices rising through the 1990s, rice looked like a winner. But Brazilian consumers began tightening their belts last year.

Mr. Roca, the rice-cooperative president, said one of his Brazilian buyers had canceled a \$250,000 purchase even as the order was being loaded on trucks.

The buyer, he said, either ran out of credit or was waiting for exchange rates to settle before retrieving dollars to complete the purchase.

Monday, Feb. 8

Government Debt									
Belgium	3-month			1-year	2-year	5-year	10-year		
France	2.88	2.89		2.84	3.032	3.111	3.098		
Germany	3.00	2.94			2.977	3.222	2.850		
Italy	2.69	2.63		2.57	3.103	3.556	3.660		
Japan	3.28	0.32			0.553	1.127	2.248		
Spain	2.95	2.90		2.90	3.015				
United States	3-month	1-year	2-year	5-year	10-year	30-year			
	4.95	4.64	4.70	4.85	4.93	5.38			
Price	4.40	4.43	49-14	97-15	96-20	95-15			

Source: Bloomberg

Money Market Rates				
United States	Today	Prev	Britain	Today
Discount rate	4%	4%	Base rate	5%
Prime rate	7%	7%	Call money 56	5.50
Federal funds	4.40	4.40	1-month interbank	5%
90-day Certs Deposit	4.90	4.90	3-month interbank	5%
180-day Com. Paper	4.70	4.66	6-month interbank	5%
Japan				
Discount rate	0.50	0.50		
Call money	0.24	0.24		
1-month interbank	0.40	0.40		
3-month interbank	0.65	0.65		
6-month interbank	0.67	0.67		
Europe zone				
Base rate	3.60			
ECB/1A	3.15			
ECB/1B	3.16			
ECB/1C	3.11			
ECB/2	3.14			
ECB/3	3.11			
ECB/4	3.15			
ECB/12	3.04			
ECB/13	3.04			

Source: Bank of Tokyo-Mitsubishi
Reuters

Libor Rates				
	1-month	3-month	6-month	12-month
Dollar	4.5981	5.00	5.0441	5.1975
Yen	5.1883	5.1167	5.0494	5.0341
Sterling	5.5944	5.3941	5.0164	5.0256
Sw Franc	3.9864	4.4230	4.4670	4.5599
Sw Lira	3.2178	3.2669	3.2775	3.2599
Source:	Reuters			

Forward Rates				
	30-day	60-day	90-day	
Pound Sterling	1.4304	1.6296	1.6279	
Japanese Yen	1.4579	1.4979	1.4879	
Canadian dollar	1.1723			
Japanese Yen	112.19	112.76	112.24	
Swiss franc	1.4204	1.4166	1.4121	

Source: Allied Press

Gold Prices		
Morning Afternoon	Change	
London 285.85	286.85	-0.55

U.S. dollars per ounce
Source: Reuters

Analysts mine Stocks

U.S. analysts on Monday said the outlook for the market was positive, but they cautioned that the brief buying spree that occurred when the market opened was not enough to sustain a rally.

U.S. STOCKS

Major earnings announcements, the analysts said, were enough to cause the market to open higher. The Dow Jones Industrial Average rose 1.13 points to 8,437.75. The Nasdaq Composite rose 1.13 points to 2,113.75. The S&P 500 rose 1.13 points to 1,113.75. The Russell 2000 rose 1.13 points to 1,113.75. The New York Stock Exchange reported a record volume of 1.1 billion shares.

WTNA: Trade Trouble

Continued from Page 9

The coming month, the real estate market is expected to show some improvement. The National Association of Realtors reported that the number of homes sold in January rose 1.1 percent from the previous month.

Analysts and opposition politicians are expected to debate the bill in the Argentine Congress. The bill is expected to pass, but it will take time to implement.

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Ladbroke To Acquire Hotel Rival

Continued from Page 9

Ladbroke, the London-based hotel chain, is expected to acquire the Hilton Hotels Corp. The deal is expected to close in the next few months.

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Financing for World's Poor Countries Declines

The OECD divided financing into government aid and private investment.

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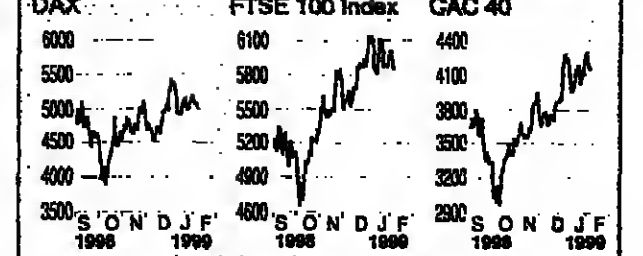
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Investor's Europe

Frankfurt, London, Paris



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	AEX	528.24	534.36	-1.15
Brussels	BEL-20	3,448.17	3,474.56	-0.82
Frankfurt	DAX	5,027.22	5,080.77	-1.05
Copenhagen	Stock Market	624.97	628.70	-0.59
Helsinki	HEX General	5,946.77	5,970.43	-0.39
Oslo	OBX	553.32	553.96	-0.12
London	FTSE 100	5,834.90	5,855.30	-0.35
Madrid	Stock Exchange	658.11	670.49	-1.42
Milan	MIBTEL	22,994	23,405	-1.76
Paris	CAC 40	4,154.02	4,147.30	+0.16
Stockholm	SX 15	4,082.96	4,136.88	-1.35
Vienna	ATX	1,170.64	1,184.33	-1.15
Zurich	SPI	4,488.04	4,500.22	-0.26

Source: Reuters

Very briefly:

- Royal Dutch/Shell Group, the world's biggest publicly traded oil company, is negotiating to invest an additional \$5 billion to expand a natural-gas project in Nigeria and develop new oil fields there during the next five years.
- Schering AG, the world's largest maker of contraceptive pills, said 1998 net income rose 7.2 percent, in 478 million Deutsche marks (\$275 million), in line with estimates, as higher profit in the U.S. and Europe outweighed lower Asian and Latin American income.
- Deutsche Telekom AG, Europe's largest phone company, received permission from the German phone regulator to charge competitors 25.40 DM a month to use its local phone connections. The company had asked for 37.30 DM a month.
- The Czech Republic's jobless rate rose for the third month in January, to 8.1 percent — the highest since the fall of communism in 1989 — as the country's recession prompted companies to cut jobs to reduce costs and improve efficiency.
- British industrial output fell 0.8 percent in December, sparking fears that the economy may sink into recession this year despite aggressive interest-rate cuts by the central bank.
- Thomson-CSF, Europe's biggest defense-electronics maker, said 1998 sales rose 5 percent, to 6.18 billion euros (\$6.92 billion), helped by growing export orders.
- Du Pont Co., the largest U.S. chemical company, won European Union approval to buy the paintmaker Herberts from Germany's Hoechst AG. The purchase will make DuPont the world's No. 1 maker of auto paints.
- German industrial output was flat in December after a 2.1 percent fall in the previous month.

Accor Agrees to Acquire Frantour

Continued from Page 9

Accor SA, the largest hotel operator in Europe, agreed Monday to buy 65 percent of Frantour, a French hotel and travel agency company, from France's national railway operator.

Accor SA also had opened a tender offer for the other 35 percent of Frantour's equity. Accor did not disclose the price it paid to buy the Frantour stake from the railway company, Societe Nationale des Chemins de Fer Français. The transaction brings Accor

30 hotels with 4,500 rooms under full ownership, rental or franchise contracts; 86 travel agencies operating under the Frantour and Sud-Ouest Voyages brands, and seven French and European tour companies that handled a total of 620,000 clients in 1998.

A Frantour spokesman said the company had tourism-related revenue of about 1.54 billion French francs (\$264.4 million) in 1997, with 1.14 billion francs coming from tour operations, 313 million francs from hotels and 90 million francs from travel agencies.

"This operation is part of a larger strategic business partnership with SNCF that will be announced shortly," Accor said. SNCF has sought to sell all or part of Frantour to focus on its rail activities and raise funds to expand that part of its business. Last week, it sold Frantour's train-station restaurant unit to Autogrill of Italy for \$55 million.

Accor shares rose 8.3 percent to 204.8 euros (\$231.26) on the Paris Bourse, climbing 15.7 euros. (Bridge News, Bloomberg)

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CEO Ouster Lifts BMW

Continued from Page 9

FRANKFURT — Bayerische Motoren Werke AG shares rose 8.6 percent Monday after the German luxury carmaker replaced its chief executive, triggering speculation that it could be sold after it slashes costs at its unprofitable Rover unit.

Bernhard Pischetsrieder was replaced Friday by Joachim Milberg after failing to stem losses at Rover. Analysts said the change could herald job cuts or even a plant closure at Rover.

The five largest German carmakers could then be sold to a larger rival to help distribution of Rover and BMWs in a market dominated by giant companies.

"BMW is just too small to remain independent," said Robert Halver, an analyst at Bank Delbrueck & Co.

BMW shares surged 57.49 euros (\$64.92) to close at 726.49 euros, a one-month high. Volkswagen AG has said it was interested in buying a stake in BMW. Analysts said General Motors Corp., Fiat SpA and Toyota Motor Corp. also were potential suitors.

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WORLD STOCK MARKETS

Monday, Feb. 8

Prices in local currencies

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IMF in No Rush to Help Russia on Debt

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NYSE

Monday's 4 P.M. Close

Monday 3-4 P.M. Close
The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press

12 Month 5%[illegible][illegible][illegible][illegible][illegible][illegible]

Continued on Page 12

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NASDAQ

Monday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar volume, updated twice a year.
The Associated Press.

Symbol	Price	Change	Volume
AA	28.12	0.00	1,234,567
AB	15.45	0.01	987,654
AC	10.23	0.02	876,543
AD	5.67	0.03	765,432
AE	3.21	0.04	654,321
AF	2.10	0.05	543,210
AG	1.98	0.06	432,109
AH	1.87	0.07	321,098
AI	1.76	0.08	210,987
AJ	1.65	0.09	109,876
AK	1.54	0.10	98,765
AL	1.43	0.11	87,654
AM	1.32	0.12	76,543
AN	1.21	0.13	65,432
AO	1.10	0.14	54,321
AP	1.09	0.15	43,210
AQ	1.08	0.16	32,109
AR	1.07	0.17	21,098
AS	1.06	0.18	10,987
AT	1.05	0.19	9,876
AU	1.04	0.20	8,765
AV	1.03	0.21	7,654
AW	1.02	0.22	6,543
AX	1.01	0.23	5,432
AY	1.00	0.24	4,321
AZ	0.99	0.25	3,210
BA	0.98	0.26	2,109
BB	0.97	0.27	1,098
BC	0.96	0.28	987
BD	0.95	0.29	876
BE	0.94	0.30	765
BF	0.93	0.31	654
BG	0.92	0.32	543
BH	0.91	0.33	432
BI	0.90	0.34	321
BJ	0.89	0.35	210
BK	0.88	0.36	109
BL	0.87	0.37	98
BM	0.86	0.38	87
BN	0.85	0.39	76
BO	0.84	0.40	65
BP	0.83	0.41	54
BQ	0.82	0.42	43
BR	0.81	0.43	32
BS	0.80	0.44	21
BT	0.79	0.45	10
BU	0.78	0.46	9
BV	0.77	0.47	8
BW	0.76	0.48	7
BX	0.75	0.49	6
BY	0.74	0.50	5
BZ	0.73	0.51	4
CA	0.72	0.52	3
CB	0.71	0.53	2
CC	0.70	0.54	1

Symbol	Price	Change	Volume
CD	0.69	0.55	1
CE	0.68	0.56	1
CF	0.67	0.57	1
CG	0.66	0.58	1
CH	0.65	0.59	1
CI	0.64	0.60	1
CJ	0.63	0.61	1
CK	0.62	0.62	1
CL	0.61	0.63	1
CM	0.60	0.64	1
CN	0.59	0.65	1
CO	0.58	0.66	1
CP	0.57	0.67	1
CQ	0.56	0.68	1
CR	0.55	0.69	1
CS	0.54	0.70	1
CT	0.53	0.71	1
CU	0.52	0.72	1
CV	0.51	0.73	1
CW	0.50	0.74	1
CX	0.49	0.75	1
CY	0.48	0.76	1
CZ	0.47	0.77	1
DA	0.46	0.78	1
DB	0.45	0.79	1
DC	0.44	0.80	1
DD	0.43	0.81	1
DE	0.42	0.82	1
DF	0.41	0.83	1
DG	0.40	0.84	1
DH	0.39	0.85	1
DI	0.38	0.86	1
DJ	0.37	0.87	1
DK	0.36	0.88	1
DL	0.35	0.89	1
DM	0.34	0.90	1
DN	0.33	0.91	1
DO	0.32	0.92	1
DP	0.31	0.93	1
DQ	0.30	0.94	1
DR	0.29	0.95	1
DS	0.28	0.96	1
DT	0.27	0.97	1
DU	0.26	0.98	1
DV	0.25	0.99	1
DW	0.24	1.00	1
DX	0.23	1.01	1
DY	0.22	1.02	1
DZ	0.21	1.03	1
EA	0.20	1.04	1
EB	0.19	1.05	1
EC	0.18	1.06	1
ED	0.17	1.07	1
EE	0.16	1.08	1
EF	0.15	1.09	1
EG	0.14	1.10	1
EH	0.13	1.11	1
EI	0.12	1.12	1
EJ	0.11	1.13	1
EK	0.10	1.14	1
EL	0.09	1.15	1
EM	0.08	1.16	1
EN	0.07	1.17	1
EO	0.06	1.18	1
EP	0.05	1.19	1
EQ	0.04	1.20	1
ER	0.03	1.21	1
ES	0.02	1.22	1
ET	0.01	1.23	1
EU	0.00	1.24	1
EV	0.00	1.25	1
EW	0.00	1.26	1
EX	0.00	1.27	1
EY	0.00	1.28	1
EZ	0.00	1.29	1
FA	0.00	1.30	1
FB	0.00	1.31	1
FC	0.00	1.32	1
FD	0.00	1.33	1
FE	0.00	1.34	1
FF	0.00	1.35	1
FG	0.00	1.36	1
FH	0.00	1.37	1
FI	0.00	1.38	1
FJ	0.00	1.39	1
FK	0.00	1.40	1
FL	0.00	1.41	1
FM	0.00	1.42	1
FN	0.00	1.43	1
FO	0.00	1.44	1
FP	0.00	1.45	1
FQ	0.00	1.46	1
FR	0.00	1.47	1
FS	0.00	1.48	1
FT	0.00	1.49	1
FU	0.00	1.50	1
FV	0.00	1.51	1
FW	0.00	1.52	1
FX	0.00	1.53	1
FY	0.00	1.54	1
FZ	0.00	1.55	1
GA	0.00	1.56	1
GB	0.00	1.57	1
GC	0.00	1.58	1
GD	0.00	1.59	1
GE	0.00	1.60	1
GF	0.00	1.61	1
GG	0.00	1.62	1
GH	0.00	1.63	1
GI	0.00	1.64	1
GJ	0.00	1.65	1
GK	0.00	1.66	1
GL	0.00	1.67	1
GM	0.00	1.68	1
GN	0.00	1.69	1
GO	0.00	1.70	1
GP	0.00	1.71	1
GQ	0.00	1.72	1
GR	0.00	1.73	1
GS	0.00	1.74	1
GT	0.00	1.75	1
GU	0.00	1.76	1
GV	0.00	1.77	1
GW	0.00	1.78	1
GX	0.00	1.79	1
GY	0.00	1.80	1
GZ	0.00	1.81	1
HA	0.00	1.82	1
HB	0.00	1.83	1
HC	0.00	1.84	1
HD	0.00	1.85	1
HE	0.00	1.86	1
HF	0.00	1.87	1
HG	0.00	1.88	1
HH	0.00	1.89	1
HI	0.00	1.90	1
HJ	0.00	1.91	1
HK	0.00	1.92	1
HL	0.00	1.93	1
HM	0.00	1.94	1
HN	0.00	1.95	1
HO	0.00	1.96	1
HP	0.00	1.97	1
HQ	0.00	1.98	1
HR	0.00	1.99	1
HS	0.00	2.00	1
HT	0.00	2.01	1
HU	0.00	2.02	1
HV	0.00	2.03	1
HW	0.00	2.04	1
HX	0.00	2.05	1
HY	0.00	2.06	1
HZ	0.00	2.07	1
IA	0.00	2.08	1
IB	0.00	2.09	1
IC	0.00	2.10	1
ID	0.00	2.11	1
IE	0.00	2.12	1
IF	0.00	2.13	1
IG	0.00	2.14	1
IH	0.00	2.15	1
II	0.00	2.16	1
IJ	0.00	2.17	1
IK	0.00	2.18	1
IL	0.00	2.19	1
IM	0.00	2.20	1
IN	0.00	2.21	1
IO	0.00	2.22	1
IP	0.00	2.23	1
IQ	0.00	2.24	1
IR	0.00	2.25	1
IS	0.00	2.26	1
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JE	0.00	2.38	1
JF	0.00	2.39	1
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JI	0.00	2.42	1
JJ	0.00	2.43	1
JK	0.00	2.44	1
JL	0.00	2.45	1
JM	0.00	2.46	1
JN	0.00	2.47	1
JO	0.00	2.48	1
JP	0.00	2.49	1
JQ	0.00	2.50	1
JR	0.00	2.51	1
JS	0.00	2.52	1
JT	0.00	2.53	1
JU	0.00	2.54	1
JV	0.00	2.55	1
JW	0.00	2.56	1
JX	0.00	2.57	1
JY	0.00	2.58	1
JZ	0.00	2.59	1
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KC	0.00	2.62	1
KD	0.00	2.63	1
KE	0.00	2.64	1
KF	0.00	2.65	1
KG	0.00	2.66	1
KH	0.00	2.67	1
KI	0.00	2.68	1
KJ	0.00	2.69	1
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KM	0.00	2.72	1
KN	0.00	2.73	1
KO	0.00	2.74	1
KP	0.00	2.75	1
KQ	0.00	2.76	1
KR	0.00	2.77	1
KS	0.00	2.78	1
KT	0.00	2.79	1
KU	0.00	2.80	1
KV	0.00	2.81	1
KW	0.00	2.82	1
KX	0.00	2.83	1
KY	0.00	2.84	1
KZ	0.00	2.85	1
LA	0.00	2.86	1
LB	0.00	2.87	1
LC	0.00	2.88	1
LD	0.00	2.89	1
LE	0.00	2.90	1
LF	0.00	2.91	1
LG	0.00	2.92	1
LH	0.00	2.93	1
LI	0.00	2.94	1
LJ	0.00	2.95	1
LK	0.00	2.96	1
LL	0.00	2.97	1
LM	0.00	2.98	1
LN	0.00	2.99	1
LO	0.00	3.00	1
LP	0.00	3.01	1
LQ	0.00	3.02	1
LR	0.00	3.03	1
LS	0.00	3.04	1
LT	0.00	3.05	1
LU	0.00	3.06	1
LV	0.00	3.07	1
LW	0.00	3.08	1
LX	0.00	3.09	1
LY	0.00	3.10	1
LZ	0.00	3.11	1
MA	0.00	3.12	1
MB	0.00	3.13	1
MC	0.00	3.14	1
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MF	0.00	3.17	1
MG	0.00	3.18	1
MH	0.00	3.19	1
MI	0.00	3.20	1
MJ	0.00	3.21	1
MK	0.00	3.22	1
ML	0.00	3.23	1
MM	0.00	3.24	1
MN	0.00	3.25	1
MO	0.00	3.26	1
MP	0.00	3.27	1
MQ	0.00	3.28	1
MR	0.00	3.29	1
MS	0.00	3.30	1
MT	0.00	3.31	1
MU	0.00	3.32	1
MV	0.00	3.33	1
MW	0.00	3.34	1
MX	0.00	3.35	1
MY	0.00	3.36	1
MZ	0.00	3.37	1

INTERNATIONAL INVESTING

Taiwan Software Firms Get Ready to Roll Out the IPOs

By Thomas Crampton
International Herald Tribune

TAIPEI — Long dominated by small manufacturing companies, Taiwan's stock market is set to enter a new era as regulators lift the barriers that prevent software companies from listing.

Software developers hope that the first initial public offerings, expected within three months, will help attract venture capital into the industry by providing a clear exit strategy.

For investors, three companies are passing the final regulatory hurdles: a variety of different plays on technology, the Internet and Taiwan's economy.

Ulead Systems Inc., one of Taiwan's few software developers with a majority of sales overseas, will be among the first to list.

Specializing in Windows-based, consumer-oriented software for touching up photographs, digital image manipulation for Internet sites and digital video editing, the company made its international debut with the Photostyler program in 1990.

The program, licensed to Aldus Corp. in the United States, grew to occupy a 20 percent market share and became the largest challenger to Adobe's Photoshop in the Windows-based digital imagery software market.

The program was killed after Adobe's merger with Aldus, but not before Photostyler brought Ulead \$10 million in sales and \$6 million for the sale of the program to Adobe.

About half of the company's sales, which grew 35 percent last year to \$18 million, came from retail and bundled sales of Photostyler, the company's latest professional standard image editing program.

This growth came despite a scanner price war that has slashed equipment prices by 60 percent over the past year and reduced the manufacturer's budgets for bundled software.

Photo Express, a consumer-oriented photo touch-up program, accounts for 20 percent of sales, and

MediaStudio Pro, a digital video-editing program, represents 15 percent. While company sales are geographically diverse, the work force is largely based in Taiwan.

Bundled software sales in Europe and Japan make up about 55 percent of sales revenue, off-the-shelf sales in the United States account for 40 percent, and the remaining 5 percent is in Taiwan.

Eighty percent of the company's 230 employees work in Taiwan, where software development is done. The remaining workers are spread among sales and research offices in California, Germany and Japan.

Also set to list on the market is Bten Information Systems Co., a 12-year-old company that started by developing Chinese-language operating systems but now focuses on software for small consumer devices.

Eighty percent of the company's 800 million Taiwan dollars (\$24.8 million) in sales last year came from Intermessenger, a handheld device introduced a year ago that allows Taiwan's stock punters to receive real-time market data and news headlines via pager signals.

Similar in size to a personal digital assistant, the Intermessenger

costs an initial 5,900 dollars plus a monthly fee of 800 dollars. The product is run in partnership with Chunghwa Telecom Co.

The company, which has 240 employees, also sells Dr. Stock, Taiwan's first real-time Internet stock information program for Windows.

Another software company preparing to list, Ares International Co., divided most of its \$10 million in sales last year among specialized software for Taiwan banks, a document-management product developed for the government under contract and consulting work to install the logistics programs of Oracle Corp. in Taiwan.

About 10 percent of its sales came from consumer-oriented programs sold into the highly competitive markets for Chinese character recognition as well as Internet site-translation software.

The president of Ares, Harry Yu, said sales could grow nearly one-third this year because of increased installation work for Oracle software and more sales of banking software.

Mr. Yu, whose company now employs 200, said the money raised from the stock sales would be invested in research and development and acquisitions of other software companies.

Very briefly:

• The Chicago Mercantile Exchange, Singapore International Monetary Exchange and Paris Bourse said they would create a common electronic trading system for derivatives to increase volume and cut costs. The Globex Alliance agreement will create a system for trading across Europe, Asia and the United States by the third quarter of this year, the partners said. It is to unite Simex, the CME and MATIF/MONEP, the French derivatives exchanges, and to compete with the London International Financial Futures and Options Exchange and Eurex, the German-Swiss futures exchange group.

• U.S. fund managers have raised their forecasts for the country's economic growth this year, with an average forecast of 2.8 percent growth in gross domestic product, according to the Merrill Lynch-Gallup survey for February, compared with a forecast of 2.2 percent a month ago. The managers in the poll say they expect the U.S. economy to be virtually immune to shocks from Brazil and elsewhere. A total of 30 percent of managers now expect inflation to rise this year, compared with 14 percent a month ago.

• Deutsche Bank Securities' chief economist, Edward Yardeni, and other market-watchers on a panel at the World Economic Forum in Davos, Switzerland, said that U.S. stocks — particularly computer-related stocks — were overvalued. "I think we're creating the worst speculative bubble in history," Mr. Yardeni said.

• Yahoo! Inc., the No. 1 Internet search directory, said it was expanding its auction service to offer antiques and collectibles in a partnership with Butterfield & Butterfield, an auction house based in San Francisco. On-line auctions are expected to sell \$3.2 billion of merchandise by 2002.

• Moody's Investors Service Inc. and Standard & Poor's Corp. both said they expected an upgrade in their ratings of mutual funds in Japan to accompany the deregulation of the industry. Japanese analysts said information on individual funds had been fairly limited until the rules requiring more disclosure were introduced in December.

• The worst may be over for Canadian forestry stocks, with U.S. housing starts stronger than expected and shipments to Japan rising. Since August 1997, the forestry index of the Toronto Stock Exchange has fallen 36 percent amid oversupplies of many products. *Bloomberg, Reuters*

Analysts Find Tech Shares' Swoon Overdone

By Lawrence M. Fisher
New York Times Service

NEW YORK — When Advanced Micro Devices Inc. said last week that pricing pressures on microprocessors might leave it with a loss for the current quarter, it helped set off a two-day rout among many technology shares.

That was perhaps an understandable response for a group of stocks that has been hitting new highs for weeks; less clear was whether it was the correct response.

For many technology analysts, the announcement was déjà vu all over again. Advanced Micro said price cuts by Intel Corp. would prevent it from realizing the benefits of increased production of its fastest chips.

Last month, Advanced Micro announced fourth-quarter earnings that fell short of analysts' estimates and cited manufacturing problems that prevented it from shipping more of the chips, which command higher prices and have higher profit margins than many of its other products.

This scenario has played out before. Intel introduced a new generation of microprocessor, Advanced Micro rushed to offer a compatible product but runs into man-

ufacturing glitches that keep volume low. When Advanced Micro catches up and is ready to ship greater quantities, Intel cuts prices and gets ready to release the next generation.

Advanced Micro should be able to do something about production, but it can do little about pricing.

Advanced Micro's shares fell \$2.0625 on Friday to close at \$16.8125 on the New York Stock Exchange, after having fallen \$2 the previous day.

Intel dropped \$2.5625 Friday to \$127.5625 on the Nasdaq stock market; it plunged \$8.5625 the previous day after Merrill Lynch & Co. cut its estimate for the company's 1999 profit.

Drew Peck, an analyst with SG Cowen & Co., said the habitual AMD-Intel scenario had been played out in an exaggerated form this time because Intel had realized the significance of the low-end market and was cutting prices sharply there to regain market share it had lost to Advanced Micro.

"Intel, to my recollection, has never been this aggressive about the low end of the market," he said. "But now no one, including Intel, can ignore the low end, because that's where all the growth is."

Intel would rather reduce profit

margins than cede sales to Advanced Micro and watch inventories pile up, Mr. Peck said.

But to extrapolate a softening of demand for personal computers and related components from the Intel-Advanced Micro price wars would be wrong, he said. "On a unit basis, all things being equal, lower prices should lead to higher sales."

He said the problem for PC-related chip companies was that although sales might increase, they wouldn't go high enough fast enough to offset declining prices.

Mr. Peck is neutral on most chip stocks but recommends such specialized companies as Analog Devices, Texas Instruments Inc. and Vitesse Semiconductor Corp.

Jonathan Joseph, an analyst with Nationsbank Montgomery Securities, said that while competing with a market leader such as Intel would never be easy, Advanced Micro's inconsistent execution was more of a hurdle for the company.

"I think AMD's No. 1 problem is AMD, not Intel," he said. "AMD just can't get their yields up."

Mr. Joseph said not to assume that other chipmakers would suffer, even though the market brought down many. He noted particularly Micron Technology Inc., which dropped

\$5.375 Friday to close at \$70.25 on the New York Stock Exchange after losing \$3.875 on Thursday. Micron's price had nearly quadrupled in four months, he said, "so it's a very volatile stock."

"But we're not getting any indication demand is softening," he said. "The fundamental story is still intact for both Micron and Intel."

Chip distributors' company has surveyed, Mr. Joseph said, expect price cuts to average around 15 percent.

"Even if it's 30 percent, that's not out of line," he said. "This is not a price war where everybody bleeds to death."

Mark Edelstone, an analyst with Morgan Stanley, reiterated the neutral rating he has long given Advanced Micro and cut his 1999 earnings-per-share estimate to 10 cents from 30 cents.

"In comparison, the consensus estimate for AMD was 85 cents," he said. Mr. Edelstone forecasts a loss for Advanced Micro in the first half of the year.

"Until AMD is able to produce significantly more high-speed microprocessors," he said, "the company's product mix will be vulnerable to Intel's aggressive low-end pricing strategy."

INDOSUEZ HIGH YIELD BOND FUND

Société d'Investissement à Capital Variable
Registered Office: 39, Avenue de la Woluwe, 1200 Brussels, Belgium
R.C. Luxembourg B-43362

NOTICE TO THE SHAREHOLDERS

This is to inform the Shareholders of the INDOSUEZ HIGH YIELD BOND FUND Sica that the Board of Directors' Meeting held on January 29, 1999 decided to pay a dividend of USD 3.37 per share to the holders of Distribution Shares.

The shares will go ex-dividend on February 16, 1999 and the payment of the dividend will be carried out on February 22, 1999.

The Board of Directors

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For information please contact:

Katy Hour: Fax (33-1) 41 43 82 12 or e-mail: fund@ht.com

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February 8, 1999

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1. STANBORD & POOR'S MORGAN	100.00	100.00	101. STANBORD & POOR'S MORGAN	100.00	100.00
2. STANBORD & POOR'S MORGAN	100.00	100.00	102. STANBORD & POOR'S MORGAN	100.00	100.00
3. STANBORD & POOR'S MORGAN	100.00	100.00	103. STANBORD & POOR'S MORGAN	100.00	100.00
4. STANBORD & POOR'S MORGAN	100.00	100.00	104. STANBORD & POOR'S MORGAN	100.00	100.00
5. STANBORD & POOR'S MORGAN	100.00	100.00	105. STANBORD & POOR'S MORGAN	100.00	100.00
6. STANBORD & POOR'S MORGAN	100.00	100.00	106. STANBORD & POOR'S MORGAN	100.00	100.00
7. STANBORD & POOR'S MORGAN	100.00	100.00	107. STANBORD & POOR'S MORGAN	100.00	100.00
8. STANBORD & POOR'S MORGAN	100.00	100.00	108. STANBORD & POOR'S MORGAN	100.00	100.00
9. STANBORD & POOR'S MORGAN	100.00	100.00	109. STANBORD & POOR'S MORGAN	100.00	100.00
10. STANBORD & POOR'S MORGAN	100.00	100.00	110. STANBORD & POOR'S MORGAN	100.00	100.00
11. STANBORD & POOR'S MORGAN	100.00	100.00	111. STANBORD & POOR'S MORGAN	100.00	100.00
12. STANBORD & POOR'S MORGAN	100.00	100.00	112. STANBORD & POOR'S MORGAN	100.00	100.00
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SPORTS

After Record, Cricket-Mad India Hails A New Hero

The Associated Press

NEW DELHI — At shops and bus stations Monday, on radio and television and in newspapers, the topic was the same: the stunning 10-wicket haul by the spin bowler Anil Kumble that propelled India to victory in the second of two cricket tests against Pakistan.

The 212-run victory helped India level the two-test series, the first played against Pakistan in India in 12 years.

Pakistan won the first test in Madras earlier this month.

In this cricket-mad region, political rivalries have kept the Indian and Pakistani teams apart.

"I suppose for good India-Pakistan relations, the one-all draw in the series is a 'good result,'" Michael Holding, a former Jamaican and West Indies fast bowler, wrote in The Indian Express newspaper.

Kumble shattered Pakistan's cricket team Sunday, claiming all the wickets, a feat matched by only one other man in the 122-year history of test cricket. Jim Baker of England did it in a 1956 match against Australia in Manchester.

In India on Monday, television stations played the entire match — which had lasted four days — and others showed Kumble's bowling again and again.

Children in New Delhi rose early to play cricket before going to school.

"Kumble is my hero!" said Chanchal Misra, a 12-year-old boy trying to bowl like his idol on the street.

Kumble made his test debut in Manchester eight years ago on the ground where Laker took 10 wickets in an innings, and 19 wickets in the match, on a rain-soaked pitch. On Sunday, Kumble bowled on a pitch slightly softened by rain.

"They were more efficient and better than we were," he said.

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Switzerland's Bruno Kernen racing to the combined lead on Monday.

Kernen Holds Slim Lead After Combined Downhill

The Associated Press

BEAVER CREEK, Colorado — Switzerland's Bruno Kernen took a slim lead over a pair of Norwegians on Monday in the downhill portion of the men's combined event in the World Alpine Ski Championships.

Two slalom runs, scheduled for Tuesday, will conclude the event, with the times for all three runs determining the combined champion.

Kernen, gold medalist in downhill and silver medalist in combined at the last world championships in 1997 in Sestriere, Italy, had a smooth run that was timed in 1 minute, 13.44 seconds.

He was a mere .08 seconds ahead of Kjetil Andre Aamodt and .14 seconds ahead of Lasse Kjus, the Norwegians who have made the combined event their personal playground this season and who

are the favorites here. Kjus was first and Aamodt second in a combined in Wengen, Switzerland, on Jan. 17. A week later, Aamodt was first and Kjus second in a combined in Kitzbuehel, Austria.

Kjus, who tied Hermann Maier of Austria for the gold medal in the super-G on Tuesday and finished second to Maier in the downhill on Saturday, was the early leader in Monday's combined downhill. Racing sixth, Kjus bettered the time of Werner Franz of Austria, finishing in 1:13.58.

Two racers later, Aamodt, the defending world champion in combined, finished .06 seconds quicker than Kjus at 1:13.52. Kernen, 26, was next, and he avoided the problems in a couple of corners that hurt him in the downhill on this same Birds of Prey course, when he placed seventh.

Lippi Quits as Juventus Coach

Ex-Parma Chief Ancelotti Takes Over at Italy's Struggling Giant

Compiled by Our Staff From Dispatches

TURIN — Carlo Ancelotti was appointed coach of the Italian champion Juventus on Monday following the resignation of Marcello Lippi.

After Lippi made it clear before Christmas that he would not stay for another season, Ancelotti had agreed to take over the club in July. But Lippi resigned on Sunday night after Juventus lost, 4-2, in Turin to Parma. On Monday, Ancelotti agreed to bring forward his start date.

"If the problem with this team is me, then here's my resignation," Lippi said Sunday night. "Let's see this team without the Lippi problem. I've tried to do everything possible to wake this team up, but I've failed."

Vittorio Chianusso, the Juventus president, said that Lippi, who had been coach since 1994, had "handed in his resignation in irreversible fashion." He added that the club had "accepted it with great sadness."

Lippi's five-year contract with the club expires in June, but the coach had already announced that he would not extend the deal. He has been linked to the coaching job at Inter Milan for next season.

Ancelotti, a 39-year-old former player, started his coaching career with Reggina. He then coached Parma for three years, leading the team to its best-ever second place in the Italian league in 1997. He has been out of a job since being dismissed by Parma at the end of last season.

Under Lippi, Juventus returned to prominence after a rare down period. Lippi guided Juventus to three Serie A titles in the past four years, plus the 1996 European Champions Cup.

If success is one hallmark of Lippi's years with the Turin club, another is constant roster renewal — selling off stars and replacing them with new ones. Roberto Baggio, Fabrizio Ravanelli, Christian Vieri and Gianluca Vialli have been among the castoffs.

That lack-of-depth habit caught up with the team this year when Alessandro Del Piero, the star striker, was lost with a knee injury. The club has not recovered, winning just one of its last eight games and dropping to ninth place in the 18-team league. It has been outscored 23-22 in Serie A, and has been eliminated from the Italian Cup competition.

The last time Juventus sat so low in the league table at this stage of the season was in 1962, when it was ninth at the season's end.

halfway stage and finished 12th, its worst league finish ever.

Lippi suggested that his team's poor showing was linked to his announcement in December that he would leave in the summer.

Fiorentina, the Italian League leader, lost both its strikers Sunday.

Gabriel Batistuta, the top scorer in the Italian League, twisted his left knee as Fiorentina drew, 0-0, with AC Milan. He will be out for up to six weeks.

On Sunday evening, Edmundo, a Brazilian nicknamed "The Animal" because of his wild play, flew to Rio for the carnival celebrations, saying he would be happy never to return.

The Brazilian, who is not scheduled to return to Florence until the middle of next week, said he had no regrets about leaving the club and its coach, Giovanni Trapattoni, in the lurch.

"There's nothing strange about it; it was all arranged," he said. "Trapattoni has a lot of ideas and a thousand resources. He'll have no problem finding another striker."

"If I feel like it, I'll come back — to 10 days' time," he added. "But if the club were to let me go, I'd certainly never come back."

Edmundo walked out on Fiorentina last season but was persuaded to return. In the summer, Vittorio Cecchi Gori, the club president, talked Edmundo into staying for another year, but there has been growing friction between him and his teammates.

He said he had talked with Cecchi Gori "nearly every day and asked him to let me go."

"But he won't," he added. "And so here we are."

Edmundo seemed to have no regrets about leaving even after Batistuta's injury.

"Nobody asked me to stay, but even if they had, I would have left anyway," he told journalists at an airport near Milan. "With league titles, some you win and some you lose. Anyway, there's a long way to go yet. Nothing's been decided."

Marzio Castagner resigned as coach of the Serie A club Perugia on Monday, saying he was fed up with the interference of the club president, Luciano Ganci.

Castagner accused Ganci of creating "tensions and negative repercussions" inside the Perugia camp.

Castagner guided Perugia to promotion from Serie B last season. The club made a solid start to the current campaign, but has slipped since the start of the year. It lost, 3-0, to Lazio on Sunday and is 13th, three points clear of the relegation zone. (AP, AP, Reuters)

Marcello Lippi said he had tried and failed to "wake up" Juventus.

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SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

Team	W	L	Pct	GB
Philadelphia	21	10	.677	—
Orlando	20	11	.645	1
Atlanta	19	12	.613	2
New York	18	13	.577	3
Washington	17	14	.548	4
Charlotte	16	15	.516	5
Indiana	15	16	.484	6
Cleveland	14	17	.452	7

CENTRAL DIVISION

Team	W	L	Pct	GB
San Antonio	20	11	.645	—
Utah	19	12	.613	1
Dallas	18	13	.577	2
Phoenix	17	14	.548	3
Memphis	16	15	.516	4
Portland	15	16	.484	5
San Jose	14	17	.452	6
Golden State	13	18	.421	7

PACIFIC DIVISION

Team	W	L	Pct	GB
Los Angeles	20	11	.645	—
Seattle	19	12	.613	1
Portland	18	13	.577	2
Golden State	17	14	.548	3
Phoenix	16	15	.516	4
San Jose	15	16	.484	5
Utah	14	17	.452	6
Los Angeles	13	18	.421	7

WESTERN CONFERENCE

Team	W	L	Pct	GB
San Antonio	20	11	.645	—
Utah	19	12	.613	1
Dallas	18	13	.577	2
Phoenix	17	14	.548	3
Memphis	16	15	.516	4
Portland	15	16	.484	5
San Jose	14	17	.452	6
Golden State	13	18	.421	7

ATLANTIC DIVISION

Team	W	L	Pct	GB
Philadelphia	21	10	.677	—
Orlando	20	11	.645	1
Atlanta	19	12	.613	2
New York	18	13	.577	3
Washington	17	14	.548	4
Charlotte	16	15	.516	5
Indiana	15	16	.484	6
Cleveland	14	17	.452	7

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Team	W	L	Pct	GB
San Antonio	20	11	.645	—
Utah	19	12	.613	1
Dallas	18	13	.577	2
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San Antonio	20	11	.645	—
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PACIFIC DIVISION

ART BUCHWALD

Going Downhill

NEW YORK — The most recent refrain from the reader is: "Why can't you write about something besides President Bill Clinton and Monica Lewinsky?"

I reply, "I could, but I have to feed my family."

The other day when the question was posed I said, "What else could I write about?"

What about skiing? People are much more interested in skiing than what is going on in Washington."

So I went to Vail, Colorado, for the World Skiing Championships and found out some interesting facts.

Skiing is not an impeachable offense unless you lie about how fast you went down the hill.

It is not a crime to cross-country ski with another person unless you offer her a job at the end of the run.

Taping another skier in the lodge concerning what she does between bedtime and breakfast is not considered an official event for the World Ski Championships.

It is all right to fall when you are downhill racing as long as you don't lie about it. The ski fans will accept a roll in the snow, but they want the skier to admit it and promise never to do it again.

Some influential skiers will try to get members of their staff to take the fall for them.

If you meet a lovely lady on the ski lift and she is wearing a beautiful outfit, with Bogner goggles and Ralph Lauren ski boots, and she is mutually attracted to you, do not, under any conditions, buy her gifts from the souvenir shop at the bottom of the hill.

That is my skiing article. I hope it takes people's minds off the Clinton stories. Obviously, there are other things than sex to write about. You just have to work harder to find them.

Helping Jackson Pollock Quit

New York Times Service

NEW YORK — The U.S. government has banned cigarette smoking on airplanes and in office buildings. Now comes the next step on the smoke-free frontier: postage stamps.

The Postal Service will unveil a stamp on Feb. 18 celebrating Jackson Pollock's contribution to Abstract Expressionism. The stamp, only the second to commemorate an American artist, is based on a 1949 Life magazine photograph by Martha Holmes showing the denim-clad artist, a chain smoker, in his studio pouring paint onto canvas, a cigarette hanging precariously from his mouth. But in an artist's rendering of the photo on the stamp, the cigarette has vanished.

"We're not honoring a smoker who happened to be an artist; we're honoring a very good artist who happened to be a smoker," said Don Smeraldi, a spokesman for the Postal Service. "Smoking is not the issue."

Experienced philatelists know that this is not the first time a cigarette has been excised for a postage stamp. A 1994 stamp commemorating the blues guitarist Robert Johnson shows him lacking his signature cigarette, which appeared in the original photograph.

A Folk Star in China Blends Song and Protest

By Neil Strauss
New York Times Service

KASHGAR, China — Kashgar is a town tangled up in two time zones.

Nestled in the northwest of China, less than 200 miles (320 kilometers) from the borders of Afghanistan, Tajikistan, Pakistan and Kyrgyzstan, the legendary Silk Road oasis is run by the Han Chinese, who follow the clock of their capital, two time zones away in Beijing.

Meanwhile, the Uighurs, Turkic-speaking Muslims who make up more than 80 percent of Kashgar's population, live according to the local clock, two hours earlier than Beijing's. This disparity makes Kashgar a confusing town to navigate — and it made the task of tracking down Abdurrahim Heet, one of the most important contemporary Uighur composers and musicians, extremely difficult.

Like Kashgar, Heet leads a double life. On one hand, he is famous in the region for his performances of traditional Uighur poetry and music. These are sung in a deep, resonant, nasal voice and accompanied by the *dutar*, a two-stringed lute. The music is available as cassettes manufactured and distributed by the Chinese government.

On the other hand, there are the privately manufactured cassettes. These contain Heet's original compositions, pieces like "Stubborn Guest," an old man's plea to a lodger who has overstayed his welcome — and a thinly disguised analogy for China's presence in the surrounding Xinjiang region, which was made a province of China in 1884.

Traditionally, Uighur music deals with love, morality and criticisms of misconduct. But Heet — known as the "Rooster of Xinjiang" because of his voice — is the first Uighur musician to write about life under Chinese rule. As a result, he has to pay extra money to the private manufacturers of his cassettes to compensate them for

the risk they are taking. He distributes these tapes for free.

A master of folk tradition with a fire for protest and poetry, he has become a local Bob Dylan, spurring many musicians to follow in his footsteps. Songs like "Stubborn Guest" and "Silk," a paean to Uighur culture, have become anthems in Kashgar, where donkey carts are still the main mode of transportation.

The search for Heet began in Kashgar's Sunday market, where the stalls selling local cassettes had his three-tape series of traditional tunes. "Regret," on prominent display, there Abdul Ghenee, a young Uighur, promised he could help track the composer down.

"We have a saying," he said, rubbing his bandaged eye, a result of a fight with a Chinese man who had insulted a Uighur woman. "When a Uighur child can walk, he can dance. When a Uighur child can speak, he or she can sing."

The next stop was an open storefront on a dirt road. The shop belonged to the Emin family, which has been making and selling instruments there for five generations. The store was a reminder of Kashgar's duality.

On the outside was a gold-covered plaque designating the shop's proprietor, Muhammad Emin, as a model member of the local Communist league. But inside, traces of modern Kashgar disappeared. The walls were lined with elaborately decorated *hushurs*, a violin-like instrument that had disappeared from Uighur music until it was discovered during an excavation in the nearby Taklamakan desert about 50 years ago.

Emin explained the Uighur oral tradition: There is no notation in Uighur music, which is perhaps a good thing, since what little was written about the music was burned during the Cultural Revolution.

"Ten years ago, modern music was very popular," Emin said. "But these days folk music has the most important place in Uighur society. I think it's because during the



Abdurrahim Heet sings about Uighur life under Chinese rule.

Cultural Revolution people didn't have the freedom to choose what they listened to, and many famous musicians were killed."

Emin gave Ghenee the phone number of Heet's sister, explaining that Heet does not have a phone. At Heet's sister's house, her nephew, Marat, offered to lead us to the small house where the composer lives with his parents.

Heet was dressed in jeans, a neatly pressed white button-down

shirt and a dapper mustache. A finely handled Uighur dagger hung from a leather sheath hooked to one of his belt loops. He sat on an elevated, brightly red carpet and had his family bring out flat bread, melon, tea and a bowl of hand-washing.

He then leaned over and whispered something to Ghenee who explained, embarrassed, that Heet had never spent time with an American before.

For the next hour, Heet (with

Ghenee serving as translator) explained the history of the music, the dozens of marathon four-hour concerts he performs annually and the book he was completing on classical Uighur music, the first of its kind.

"Music is one of the most important parts of Uighur culture," he said. "People here can wear American T-shirts, but their hearts stay the same. The music, because it's such a symbol of the heart, changes slowly."

Nonetheless, Heet has been changing the music. Influenced by Persian, Arabic and Turkish music, Uighur songs are as jubilant as they are complex, soaring and dipping along the Arabic scale known as the *maqam* and helping to give the Xinjiang region the nickname "the land of song and dance."

Generally thought to have been brought to the area in the ninth century, Uighur music wound up influencing Chinese court music when it became a favorite among Tang emperors.

One of the highlights of Heet's latest recording and first CD, "Inheritance," is a song called "Rooster," a story about a rooster awaking his people from darkness to welcome a new dawn.

"The government hasn't said anything to me about the political songs yet," he said, "so I don't know if I have a problem."

That night, Heet brought us to a local tea house, where he sat in the back room, door shut to prevent the sound of the restaurant's one-man synthesizer band from leaking in.

After dinner, Heet found a *dutar* in the restaurant. It was warped and out of tune. But when his fingers started sliding and twiddling with heavy-metal speed up and down the long neck, the instrument's defects seemed to disappear.

Wailed rooster-voiced lyrics reverberated, the strings crackled brightly beneath his fingers, up-tempo melodies flowed out of the door. Heet went on for minutes, or hours; it was hard to tell. For a moment, Kashgar was one, keeping time to a single clock, the *dutar*.

PEOPLE

THE actress Whoopi Goldberg does not want to hear trash talk from people who think her doing "Hollywood Squares" is a major comedown. "I don't need to have three films coming out and watch my hair fall out worrying about the opening weekend gross," the Academy Award-winning actress says in the new issue of TV Guide. "I like this schedule and the money is good." Through her clout, the "Hollywood Squares" center square and executive producer has been able to get such guests as Robin Williams, Billy Crystal, Danny Glover, Melanie Griffith, Rosie O'Donnell, Trisha Yearwood and Garth Brooks on to the show. "Some of them are doing this as a favor to me. Some figure it can't hurt their careers," she said. "I cherish all the people who have said yes because they don't care what the perception is."

Olivia Newton-John will receive the Humanitarian Award from the American Red Cross for her "dedication to community education and to helping people in need." The singer, a breast cancer

survivor who underwent a mastectomy in 1992, was chosen by 10 local chapters of the American Red Cross.

The memorial fund set up in the name of the late Diana, Princess of Wales, suffered yet another setback Sunday when Diana's former secretary resigned from her post, officials said. The fund, created to finance charitable causes associated with Diana and controlled by her family, has been accused of drifting away from protecting her "legacy" in favor of commercialism. Jackie Allen, who served as Diana's secretary for nine months and who worked particularly closely with her on the anti-personnel mines campaign, gave no official reason for her departure.

Promoting his Miss USA Pageant, the real-estate developer Donald Trump enjoyed being a big fish in a small pond, dazzling the locals in Branson, Missouri, with the kind of banter that draws yawns in New York. "I was a great

genius in the '80s," he said, "then I was a great moron in the early '90s. That's probably why I bought this pageant — so I could get a date. Now they call me a genius again. It's great."

There is "Lear," an Asian reconstruction of Shakespeare's tragedy, but starring a Japanese Noh actor as Lear.

The English Shakespeare Company will present a "Richard II" featuring a bald, fat, babyish Richard II with an army of teddy bears. There is the Company Chandigarh's "Yerma," a Lorca drama relocated from Spain to a Punjabi village in India. These are a few of the attractions in theater, music, dance and film to be seen beginning Friday at the Festival of Perth in Australia.

Professor Cleeve: Enter Laughing

The Associated Press

ITHACA, New York — John Cleeve, the British actor-comedian known for his roles in Monty Python's Flying Circus and Fawlty Towers, has been given an honorary professorship at Cornell University.

During a discussion on the mechanics of humor, Cleeve gave his new title a spin. "I would be delighted to answer anything, provided that you call me, 'Professor Cleeve,'" he said to a crowd of about 1,200 students.

Cleeve was made an honorary A.D. White professor-at-large — a program named after Cornell's first president. He is expected to lecture in Ithaca once a year for the next six years.

"I think I would rather be a professor than an earl or a duke," he joked. "I have only one criticism, other than the coffee. I think that we should move this campus about 800 miles south."



WINNERS — Derek Jacobi and Julie Christie at the Evening Standard Film Awards in London, where they were named best actor and actress. She won for her role in "Afterglow," and he for "Love Is the Devil."



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